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Activity Report / Full Year 2008



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Insurance and Asset Management markets

Life & Savings

France¹. French Life Insurance market declined by 11% in 2008, especially on Individual lines business (-12%) whereas Group Life business decreased by 1%. This negative market evolution was principally due to the financial crisis and the economic downturn. In this context, AXA outperformed the market on individual savings business (-5%), despite a drop in unit-linked funds sales. AXA underperformed the market on Group business, as a result of an exceptional level of large retirement contracts in 2007 (€777 million vs. €187 million in 2008), partly compensated by Group Life and Health performance in 2008 (respectively +8% and +11%) thanks to a good level of Health new contracts. AXA ranked third in the French life & Savings market in 2008.

United States². In the Life insurance market, total Life industry sales were down 3% for the first nine months of 2008 as compared to the same period last year. The equity market downturn had a strong negative effect on industry variable life product sales, resulting in a decline of 16% for the first nine months of 2008. Industry universal life sales also saw a decline during the same period, falling 2%, partly attributable to price increases across the industry. In addition, for the nine month period, whole life insurance sales increased 4% and term insurance sales decreased 1%. In the annuity industry, variable annuities were negatively impacted by the fall in equity markets as industry sales declined 10% through the first nine months of 2008. Conversely, fixed annuities benefited from the difficult market environment as consumer preferences shifted to more conservative investment vehicles, leading to an industry sales increase of 41% for the first nine months of 2008. In Life, AXA ranked 13th overall for the same period, as increased pricing on its universal life product impacted sales considerably. AXA's variable annuity business maintained its 2007 year-end market share, ranking third overall through nine months.

United Kingdom³. New annualized business (new regular premiums plus 10% of single premiums) was 6% lower than the same period in 2007. Concerns over global economies, the banking sector and a subsequent equity price collapse, alongside the impact of changes to capital gains tax announced in the Pre Budget Report, adversely affected Wealth Management business volumes (down 16%). Individual pre and post retirement products are no longer benefiting from the post A-Day impact experienced in 2007 or the migration into Self Invested Personal Pensions, however other opportunities still exist in these markets. Fund Supermarkets and Wrap platforms continued to attract advisers and investors alike, while the transition to fee based advice gathered momentum. Annuity sectors faced significant threat from low interest rates. Protection market volumes were depressed as mortgage sales fell sharply driven by the ongoing 'credit crunch'. AXA's Protection sales (which represented 3% of AXA Life APE in 2008) rose by 15% over the first nine months of 2008 vs. the same period in 2007, capturing market share of 7.3% (vs. 6.7% in 2007) while the market fell by 4%. Within the UK, the traditional IFA and multi-tie channels represented collectively 77% of total market new business. AXA's market share remained at 7.7% in 2008.

Japan⁴. The Life insurance market declined by 3% due to lower annuity sales following turbulent market conditions. Bancassurance sales also suffered as a result of the new regulatory constraints making insurance products with strong investment characteristics more difficult to sell. Falling asset values combined with decreasing interest rates should trigger many insurers to review their annuity product features. Competition in the high margin medical segment continued to intensify with both life & non-life insurers continuing to aggressively target this market. The industry did welcome the conclusion of the review into Increasing Term (a key product for a number of insurers) tax deductibility which, while halving deductibility for new business, resolved uncertainty and enabled the industry to relaunch the product. As in 2007, AXA ranked 10th in the market based on premium income (3rd for number of inforce Medical policies). AXA's market share was 2.8%.

¹ Source: FFSA.

² Please note that the numbers quoted for the market data (Life and annuity) are for the nine months ended September 30, 2008. Source: LIMRA and VARDS (Morning Star).

³ Please note that the numbers quoted for the market data are for the nine months ended September 30, 2008. Source for market share: ABI/MSE © 2008 Association of British Insurers.

⁴ Source: Insurance Research Institute. Statistics of Life Insurance Business in Japan. Fiscal Year 2007. Premium income growth in 2007 excludes Kampo Life which reported for the first time in FY2007.

Germany⁵. Life & Savings market increased by 1% in 2008. The trend away from traditional products in favor of unit-linked annuity products continued, but decelerated in the last quarter due to the financial crisis. The increase in short-term and medium-term investment products, which competed directly with banking products, went on in 2008 (+35% in terms of single premiums). The core products of the Retirement Earnings Law (“Alterseinkünftegesetz”), the “Rürup” pensions, declined by 9% in terms of regular premiums. In the “Riester” business, the regular premiums increased by 73% thanks to fiscal incentive in 2008. German Private Health insurance market grew by 3%. In 2007, AXA ranked 6th in the Life market and 5th in the Health market.

Switzerland. The Life market was flat⁶. In Group Life, growth was slightly positive mainly caused by intrinsic drivers such as salary increases. Switzerland was still impacted by competitive re-investment activities of autonomous pension “foundations” even though they started suffering from the financial crisis due to their higher exposure to equities than traditional companies like AXA Winterthur. AXA Winterthur held the leading position in Group Life with a market share remaining above 30%. In Individual Life, the financial markets turmoil in 2008 increased sales in guaranteed traditional products with annual premiums and the low interest rate level reduced the attractiveness of traditional single premium products. Although large portfolios matured in traditional Insurance business in 2008, the low reinvestment rate resulted in a slightly negative assumed growth rate in Individual Life. AXA Winterthur ranked second in Individual Life with a market share remaining above 14%.

Belgium⁷. In Life, 2008 is expected to be flat or even down in terms of written premiums, due to the increase in interest rates and the turmoil on the financial markets. Individual Life is expected to decrease sharply, while Group Life kept on growing driven by new legal requirements on pension contracts. In 2008, Fortis, Dexia, KBC and Ethias were recapitalized by the Federal State. AXA ranked second in 2007 with a market share remaining above 14%⁸.

Mediterranean and Latin American Region. Italy. The market evolution (-18%⁹ in new business production) was impacted by financial markets mainly in corporate and index linked products. **Spain**. The market, with a +15%¹⁰ growth, was characterized by the intense competition from bank deposits, stemming from the liquidity crisis initiated in 2007, and which appealed to domestic consumers who have traditionally a short term approach to saving. The industry saw the formation of large bank insurance JVs leading to a change in Top 5 players. **Mexico**. Life insurance market continued to grow by 10-13%¹¹, mainly driven by Individual products, the banks continuing to gain market share in Individual Life (from 37% to 41%), while losing market share in Group Life (from 22 to 20%). **Turkey**. The Life insurance market growth was up 2%¹², mainly driven by Private Pension Plan (PPP) companies, which have been very competitive since 2003. In Health business, despite a low penetration rate the market profitability remained low in a competitive environment, especially due to group policies. **Portugal**. Investment contracts were up 18% and insurance contracts up 3%¹³. **Greece**. The market increased by 14%¹⁴. **Morocco**. The market evolution in 2007 showed a strong double digit growth of 42%¹⁵.

In Italy, AXA ranked 8th, in Spain 10th, in Mexico 7th, in Turkey 6th¹⁶, in Portugal 7th, in Greece 8th, and in Morocco 5th. (Dec 2007)

Australia/New Zealand. Despite the considerable challenges posed by the current investment and economic environment, the fundamental characteristics that make the Wealth Management and Financial Protection markets attractive across Australia and New Zealand remained unchanged. During 2008 the Australian Wealth Management market was significantly impacted by the financial markets downturn, funds under management levels dropping 16%¹⁷. AXA maintained a 4th place ranking for net funds flow during this period¹⁸. Despite stronger than expected

⁵ Source: GDV. Please note that the Q4 and the full year figures are preliminary estimations based on the results of 60% market coverage.

⁶ Source: FOPI (Federal Office of Private Insurance).

⁷ Source: Assuralia (Belgian Professional Union of Insurance companies). Derived from the nine months ended September 30, 2008 figures.

⁸ Source : AXA Belgium

⁹ Source: Italian Association of Insurance Companies: ANIA as of Nov 2008

¹⁰ Source: Spanish Association of Insurance Companies: ICEA as of Dec 2008

¹¹ Source : AMIS Asociacion Mexicana de instituciones de Seguros

¹² Source: Turkish Association of Insurance Companies as of Dec 2007

¹³ Source: Instituto de Seguros de Portugal as of Dec 2008

¹⁴ Source: Greek Private Insurance Supervisory Committee as of Dec 2008

¹⁵ Source: Moroccan Association of Insurance Companies as of Dec 2007

¹⁶ Source: Turkish Association of Insurance Companies as of Dec 2008

¹⁷ Source: Plan for Life as at September 2008 c.f. December 2007.

¹⁸ Source: Plan for Life, 12 months ending September 2008.

uptake of the Government led KiwiSaver scheme, New Zealand retail funds under management levels fell 21%¹⁹. Financial Protection product markets in Australia have experienced solid growth during 2008 with inforce premiums increasing 13%²⁰. This was the result of a shift in focus to financial protection and insurance needs in the midst of falling asset values. In New Zealand inforce premiums for insurance increased by 5%²¹ reflecting strong group sales. The top 10 companies continued to dominate the market, accounting for almost 90% of in force annual premiums. AXA maintained its 6th ranking in financial protection with 9% market share in Australia and third in New Zealand with 13% market share²².

Hong Kong. The economy's growth slowed down with GDP growing by 2%²³ in 2008. Hang Seng index dropped by 48% due to the financial market turmoil. Hong Kong remained a very attractive Life insurance market with high savings ratios and moderate Life insurance penetration. Individual Life market new business sales increased by 13%²⁴ for the first nine months of 2008. Life insurance premiums increased over the past few years partly because of growing products "à la carte", strong growth in unit linked savings plan and the entry of banks and new distribution channels in the market. Hong Kong Life insurance market is relatively concentrated, with 54% of individual Life new business sales stemming from the top 5 companies and 75% from the top 10 players. Following recent acquisitions and strong organic growth, AXA is now number four for inforce premiums and five for new business.

South East Asia & China. The climate deteriorated towards the end of 2007 as a result of issues in the US economy. The life insurance business in **China** performed well in the first nine months of 2008 growing by 67%²⁵ in total premiums largely on the back of strong bancassurance business. AXA was number 33 for inforce premiums and 27 for new business²⁶. The life insurance sector in **Indonesia** also performed well in the first half of the year with 39%²⁷ growth in terms of new business index. AXA was number 6 for inforce premiums and 3 for new business²⁶.

Thailand, a market with a relatively low Life insurance penetration of 3%, grew to €633 million²⁸ in annual Life premiums for the first eight months of 2008. AXA was number 8 for inforce premiums and 7 for new business²⁶. The **Philippines** remained a similarly attractive market²⁹ with very low Life insurance penetration of 1.1%. AXA was number 2 for total premium income²⁶. **Singapore**, which is characterized by large bank deposits and an affluent but underinsured population, recorded new business index of over €800 million³⁰ for the nine months ended September 2008. AXA was number 9 for inforce premiums and 11 for new business²⁶.

Central and Eastern Europe³¹. Due to the financial crisis, between the first half of 2008 and the end of 2008, Life market growth declined from +12% to 0% in Poland³² (excluding short term products), to -9% in Hungary³³ and went from +10% to +6% in Czech Republic³⁴ and Slovakia. AXA's market share over the region was stable at 2.4%. AXA ranked 9th in Hungary, 10th in Czech Republic and 6th in Poland. In the Pension Funds market, AXA's position improved. AXA ranked 1st in Slovakia mandatory and voluntary markets, 2nd in Czech Republic and 5th in Poland and Hungary, with a market share of 7.8% over the region (as compared to 7.4% in 2007).

¹⁹ Source: AXA New Zealand, as at 31 December 2008.

²⁰ Source: Plan for Life, 12 months ending September 2008.

²¹ Source: ISI statistics as at 30 September 2008.

²² Source: Plan for Life as at 30 September 2008, ISI statistics as at 30 September 2008.

²³ Source: 3rd quarter 2008 year-on-year % change in real terms (latest).

²⁴ Source: OCI statistics, 2007Q3YTD and 2008Q3YTD.

²⁵ Source: CIRC Statistics.

²⁶ Source: Watson Wyatt AP Life Update. For China, data as of August 2008 for total weighted premium income and 2007 data for weighted new premium income. For Indonesia, Life Insurance Federation of Indonesia ("AAJI"), data from January to June 2008. For Thailand, Thai Life Assurance Association (data from January to July 2008). For the Philippines, Insurance Commission based on 2007 data; ranking based on total premium income (unweighted). For Singapore, LIA annualized statistics (2005-2008) based on 2008 figures which are annualized (as per policies inforce as at 30 June 2008).

²⁷ Source: Watson Wyatt report, September 2008.

²⁸ Source: TLAA Statistics.

²⁹ Source: Watson Wyatt report, September 2008.

³⁰ Source: Singapore LIA Statistics.

³¹ Ranking are based on 2007 (except Poland Life which is based on Sept. 2008) and market share and growth are based on Sept. 2008 estimation (except growth in Hungary which is based on Dec. 2008)

³² Polish Financial Supervision Authority site.

³³ Report of the Association of Hungarian Insurance Companies (Mabisz).

³⁴ Czech association of insurance companies

Property & Casualty

France³⁵. In 2008, market grew by an estimated 3%. In 2008, motor business was estimated to have increased by 1%, after 2 years of decrease. Household business was estimated to have increased by 5% due to the high increase of property index (+5.4% estimated at end of November). Commercial business was estimated to have increased by 3% mainly thanks to Liability and Construction lines. AXA ranked 2nd in the French Property & Casualty market.

United Kingdom & Ireland³⁶. The general deterioration of economic conditions impacted market growth, especially on mortgage linked accounts within Corporate Partners. Despite this, market tariff continued to be under pressure given competitive pressure and focus on retention. AXA continued to be ranked 4th in the personal lines market with continued growth in Motor through Swiftcover and in household. AXA's commercial lines revenues were flat reflecting difficult market conditions. In a competitive flat Healthcare market, AXA grew by 8% driven by strong new business and retention through product innovation and service, broadening distribution and further growth in International business. AXA further grew its share of the healthcare market and remained ranked 2nd. In Ireland, AXA ranked 5th overall or 3rd in its core market of Motor. Throughout 2008 the market remained soft with average prices for motor 40% lower than 2002. With declining profitability in the past few years, price increases did occur in late 2008 and early in 2009 but further significant rises are expected across the market during the course of 2009.

Germany³⁷. In 2008, total business increased by 0.4%. Personal and Commercial Motor lines fell by 1.7% in 2008 in the context of an intense price competition. Personal and Commercial Liability grew by 5%. In Personal non-motor the situation was mixed: Accident remained flat, property increased considerably (+5%), caused by rate increases resulting from high claims in building in 2007, industrial property continued to decrease (-2%), suffering from ongoing pressure on prices. AXA ranked fourth in the total property & Casualty market in 2007.

Switzerland. The Property & Casualty market was flat³⁸ due to fierce competition and price pressure mainly in motor business and commercial lines. AXA Winterthur was the market leader in P&C with a stable market share at 15%.

Belgium³⁹. The Property & Casualty market is expected to increase by 3% in 2008. In Motor, the growth should reach approximately 2%, still impacted by the high competitiveness of this market. Household & Property should grow by 2% versus 8% in 2007, due to the non recurrence of the implementation of the Natural disaster guarantee in household policies. Liability should grow by 3% while Workers Compensation is expected to grow by 3%. Tariff increases fuelled the increase in Health (approximately +7%). AXA continued to rank first in 2008 with a 22.5% market share.

Mediterranean and Latin American Region. In **Italy** the market remained stable as the non motor business (+3%) was offset by motor (-3%), impacted by the slowdown in car sales⁴⁰. In **Spain** the market, +2%⁴¹, showed clear signs of deceleration with the economy in recession, an important rise of unemployment, a drop in car sales (-28%) and the fall of the construction industry. In **Mexico** the growth of the market is expected to accelerate (13-15% vs. CAGR03-07 of 10%). Health is expected to continue to grow (15-20%). As of Q3 Motor grew about 12%, the large players remained with a stable market share, however, Q4 expected to slow down growth (yearly growth expected about 10%). In the others line of business the growth is mainly driven by government business (8-10%). In **Turkey**, the market increased by +16%⁴² but is expected to be impacted by the economic deterioration (GDP recession, inflation stabilized around 10% and the explosion of unemployment rate). In **Portugal** the market decreased by 2%⁴³ mainly explained by motor branch (-7%) and workmen compensation (-3%) impacted by the economic deterioration. In **Greece** the market increased by 4%. In **Morocco** the market increased by 11%⁴⁴ driven the economic growth. In **Gulf Region** market continued growing strongly (18-20%) driven by regulatory changes, investments in infrastructures and population inflows, with an increasing price competition.

³⁵ Source: FFSA.

³⁶ The ranking figures are based on publicly available Interim Reported Results presentations, and are generally on an IFRS basis. They are reported on a different basis to statutory reporting through FSA Returns (which are (UKGAAP)).

³⁷ Please note that the full year figures are preliminary estimation as of end November 2008. Source: GDV.

³⁸ Source: FOPI (Federal Office of Private Insurance).

³⁹ Derived from the nine months ended September 30, 2008 figures (source: Assuralia (Belgian Professional Union of Insurance companies)).

⁴⁰ Italian Association of Insurance Companies: ANIA (Nov 2008)

⁴¹ Spanish Association of Insurance Companies

⁴² Source: Turkish Association of Insurance Companies as of Dec 2007

⁴³ Instituto de Seguros de Portugal

⁴⁴ Moroccan Association of Insurance Companies (Dec 2007)

In Italy, AXA ranked 7th, in Spain 2nd, in Mexico 3rd, in Turkey 1st⁴⁵, in Portugal 2nd, in Greece 11th, in Gulf Region 6th, and in Morocco 1st. (Dec 2007)

Asia. South Korea⁴⁶. The Property & Casualty market increased by a robust 12% in 2008. However, the Motor market growth was only 4%, a much lower level than 2007, due to a strong contraction of the market in the second half of the year as the economic crisis affected car sales, as well as a fierce competition, with most insurers decreasing their tariffs following the relatively stable loss ratios enjoyed over 2007/2008. Premiums for Long-term products (which include all contracts with a maturity above 3 years, in particular Health, Medical and Accident) grew by a remarkable 17%, despite the economic recession, even if new sales slowed down compared to previous years. Kyobo AXA ranked 1st in the Direct Motor insurance market or 6th in the total Motor market, increasing its market share from 4.4% in 2007 to 4.7% in 2008. Within the total P&C market, Kyobo AXA ranked 12th. **Japan**. The property and casualty market declined by 3%⁴⁷ in the year ending March 2008. Compulsory Automobile Liability Insurance and Personal Accident Insurance experienced the sharpest drops, while Motor insurance recorded a mild decrease of 1%⁴⁷. The Motor market further contracted in the second half of 2008, driven by decreasing car sales and the continuing shift of customer preferences towards small cars. AXA Direct ranked 3rd⁴⁸ in the direct insurance market in September 2008, with a market share of around 17%⁴⁸. AXA Direct ranked 14th⁴⁸ among all insurers for Motor insurance. **Singapore**⁴⁹. The insurance market grew by 14% in gross written premiums in the first three quarters of 2008. The growth was observed in most lines of business in particular, Motor, Workmen Compensation, Health and Bonds. AXA ranked 3rd for motor and 2nd for Marine cargo in 2007 with a market share of 8% as at 3rd quarter 2008. **Malaysia**⁵⁰. The P&C industry grew by 10.1% in gross written premiums for the first three quarters of 2008, mainly contributed by growth in Motor and Property lines of business. AXA Malaysia ranked 15th with 3% of market share in 2008. **Hong Kong**⁵¹. The P&C industry grew by 12.3% for the three quarters of 2008, mainly attributable to the strong economic growth during the first half of 2008. AXA ranked 8th with 3% of market share in 2007.

Canada⁵². In 2008, overall premiums grew by an estimated 3%. The market was very fragmented and very competitive with a continuing pressure on prices. In Personal lines, the growth was estimated at 3% driven mainly by an increase in volume. In Commercial lines, the pressures on prices and margins were offset by the inflation impact of values to be insured. AXA ranked 6th in the P&C market.

International Insurance

AXA Corporate Solutions Assurance is the AXA Group subsidiary dedicated to worldwide Property and Casualty insurance of large national and multinational corporations, and to Aviation, Marine and Space insurance. Since 2005, after several years of rate increases and program restructurings, the market had experienced soft underwriting conditions on these lines of business. 2008 confirmed the slowdown of this trend and a general upturn of pricing cycle is expected with January 1, 2009 renewals already showing rate increases in specialty lines of business. AXA Corporate Solutions Assurance is among the top five large corporate risks insurers in Europe⁵³.

⁴⁵ Source: Turkish Association of Insurance Companies as of Dec 2008

⁴⁶ data based on insurance companies reports submitted to FSS, as of November 2008

⁴⁷ General Insurance Association of Japan (data as of March 2008)

⁴⁸ Rankings based on companies' disclosures as of March 2008

⁴⁹ Monetary Authority of Singapore.

⁵⁰ Insurance Services Malaysia Bhd.

⁵¹ Growth information provided by the Office of the Superintendent Financial Institutions (OSFI)

⁵² Canadian Insurance 2008 Annual Statistical issue.

⁵³ Lehman Brothers, Merrill Lynch, JP Morgan, KBW, Annual Reports

Asset Management

In 2008, the decline in global equity markets accelerated throughout the year, as the crisis in the financial markets expanded to the broader economy. With the US recession, investors increasingly moved away from risk and all global equity markets were impacted, as many investors were forced to raise cash and continued to look for safe havens. As a result, the 4th quarter of 2008 saw a continuation of significant stock price declines and credit market turmoil. As risk and deleveraging became the dominant criteria driving many investment decisions, stock price movements became strongly correlated. Given the anticipated increase in weak economic underpinnings, corporate earnings will continue to be negatively impacted into the foreseeable future, making global asset management a difficult, yet highly opportunistic, endeavor.

Beginning in 2008 and continuing in 2009, governments around the globe and related central banks have aggressively taken action designed to expand credit and liquidity, thereby creating demand for goods and services to ultimately spur a recovery. By stabilizing asset prices, the deflationary de-levering and the resulting recession that the global economy is currently experiencing can be addressed and help the real economy begin to level out. While global asset managers face significant headwinds in 2009, signs of sustainable economic recovery could spur investment activity. The lag that usually exists between capital market improvement and the return to risk by investors is expected to weaken asset flows in the near term. This weakness is expected to be most acute for retail oriented platforms and/or asset managers with inferior investment results. However, when the health of global economies improves, investors will and should begin to take advantage of attractive risk/return opportunities to the ultimate benefit of global asset managers. On a broader note, the necessity for world economies to save more aggressively continues to be evident. Investor sentiment towards controlling risk through diversification should be of tremendous benefit to global asset managers who offer a broad range of choices that are prudently managed with a focus on the long term.

Financial market conditions in 2008

One year and a half after the start of the subprime crisis in the US, the world's economy entered in a global recession at the end of 2008. In 2008, the crisis evolved from a liquidity crisis to a banking system solvency crisis, resulting in a financial disaster, many bank failures in the US and nationalisations in Europe and finally unprecedented volatility in both equity and fixed income markets (both corporate and government debts).

At the beginning of the year, the sharp slowdown in the US economy led to Federal Reserve (Fed) actions (decrease in interest rate and many other policy levers such as the \$29 billion loan granted to JP Morgan to take over Bear Stearns). The main effect of the Fed policies was the drop in the dollar, which played a major role in the price of oil soaring to \$145 a barrel in July. The continued rise in commodity prices in the first half of 2008 constituted the main reason for increased inflation expectations, thus leading to a tighter monetary policy from the European Central Bank (ECB) with a 25bp increase of its repo rate to 4.25% on July 3, 2008.

At the end of summer, under the weight of huge losses on their mortgage-backed portfolios, the US government took over Fannie Mae & Freddie Mac, Lehman Brothers and Washington Mutual went bankrupt, and AIG was quasi-nationalized, triggering panic in stock markets. The US Treasury launched a \$700 billion plan, which was used to recapitalize banks.

The US banking crisis did not take long to spread worldwide. In Europe, governments had to intervene in the banking system to guarantee debt issues or recapitalize their banks (Northern Rock, Bradford & Bingley, Lloyds TSB, HBOS and RBS in the UK, Fortis in Belgium, ING in the Netherlands, Commerzbank in Germany). The crisis brought about a "dollar squeeze" on European banks with the sharp rebound of the US Dollar versus the Euro (from \$1.59 in July to \$1.24 in October, before reversing its trend to finish the year at \$1.40), mirroring to some degree the decline in the oil price to under \$40 at the end of the year.

Then the crisis extended to the "real economy", impacting export credit. Consequently, manufacturing activity throughout the world collapsed in 4Q08. China, Russia and Brazil, which had still shown sustained growth in the first half of 2008, suffered a sharp downturn in their industrial production. The automobile sector was particularly hit by the fall in demand. In the US, \$17 billion of the TARP funds (Troubled Asset Relief Program of the United States) were used to keep General Motors and Chrysler afloat.

The autumn marked a radical change in the conduct of economic policy. Most major central banks made a concerted reduction of 50bps on October 8, 2008. The Bank of England then reduced its rate from 4.5% to 2% in less than two months. The ECB did the same, setting its repo rate at 2.50%. Even the Bank of Japan reduced its rate from 0.50% to 0.10% in an attempt to slow down the appreciation of its currency. On December 16, the Fed took a historic step towards quantitative monetary policy, announcing a target range of 0 to 0.25%. Governments also reacted, announcing economic recovery plans in the United States, China, Japan and Europe. The United States stimulus plan, approved in February 2009, amounted to \$787 billion, or approximately 6% of GDP. In Europe, numerous countries have embarked on budgetary packages amounting to around 1.5% of GDP.

STOCK MARKETS

In 2008, two phases of accelerating falls can be distinguished: the first in January, following the contagion from the structured credit product de-leveraging process, and the second linked to the collapse of Lehman Brothers in September.

Over the year, the Dow Jones and the S&P 500 lost 33% and 38%, respectively, while in London the FTSE decreased by 31%. In Europe, the CAC 40 gave up 42%, the DAX lost 39%, and the Euro Stoxx 50 lost 44%. In Japan, the Nikkei fell by 40%. The MSCI World Index decreased by 39% and the MSCI Emerging by 46%.

Equity market volatility reached new extremes. The VIX index, derived from options on the S&P 500, peaked at over 80% in November, i.e. 4 times the previous average level.

BOND MARKETS

Regarding government debt, the Autumn's coordinated easing gave rise to a rapid softening in long-term rates in all markets. In the Euro zone, the 10-year Bund yield ended the year at a historic low (2.95% against 4.30% at the beginning of the year) thus wiping out the losses incurred through heightened expectations of inflation at the beginning of the year. In the US, yields fell from 4% on January 1 to 2.21% at the end of the year.

Credit markets were strongly impacted, both on the investment grade and below investment grade fronts. Investment grade paper was subjected to the structured product de-leveraging process and the distrust of the finance sector. In Europe, the iTRAXX (series 8) spreads widened by 150bps over the year. The second half-year was more unfavorable to High Yield bonds because of the difficulties of the US automobile sector and the increase in default rates in emerging debt (defaults by the Seychelles and Ecuador). High Yield spreads exceeded 1,100bps, and emerging debt traded at 630bps at the end of the year.

In the 4th quarter, credit markets remained severely impaired, as shown by the large difference between spreads on corporate bonds and on CDS equivalents, as liquidity in secondary credit markets remained particularly poor.

EXCHANGE RATES

Compared to December 31, 2007, the US Dollar gained 5% against the Euro (closing rate moved from \$1.47 at the end of 2007 to \$1.40 at the end of 2008). The same was true for the Yen up 22% against the Euro (closing rate moved from Yen 163.6 at the end of 2007 to Yen 126.8 at the end of 2008) and the Swiss Franc up 10% against the Euro (closing rate moved from CHF 1.656 at the end of 2007 to CHF 1.494 at the end of 2008). The Pound Sterling lost 31% against the Euro (Closing rate moved from £0.733 at the end of 2007 to £0.958 at the end of 2008).

On an average rate basis, the US Dollar lost 7% against the Euro (from \$1.37 over 2007 to \$1.47 over 2008), the Yen lost 2% (from Yen 158.3 for the twelve months to September 2007 to Yen 161.7 for the twelve months to September 2008) and the Pound Sterling lost 16% (£0.684 over 2007 to £0.797 over 2008). The Swiss Franc gained 3% against the Euro (from CHF 1.642 over 2007 to CHF 1.587 over 2008).

Operating highlights

Significant acquisitions and disposals

On February 6, 2008, AXA announced it had reached an agreement to acquire OYAK's 50% share in **AXA OYAK Holding A.Ş.** («AXA OYAK»), a joint-venture company established by AXA and OYAK in 1999. Under the terms of the agreement, AXA paid a purchase price of \$525 million (€354 million) in cash for OYAK's 50% share in AXA OYAK (in addition, according to the same agreement, AXA OYAK Holding bought, for \$15 million (€9 million), the 1.5% interest that Mais Motors, an OYAK joint venture company, holds in AXA OYAK's non-life subsidiary). The transaction was closed on August 12, 2008. Following this transaction, AXA now operates in Turkey under the brand "AXA Sigorta". The company became in 2008 market leader in P&C with a 12.6% market share in the high-potential P&C Turkish insurance market. Mainly focused on non-life, especially motor and commercial property, the company experienced strong top-line growth in the past years and is one of the most profitable players in the market. In L&S, on a market mainly driven by Private Pension companies, AXA Sigorta is ranked 6th..

On February 12, 2008, AXA announced it had reached an agreement with ING for the acquisition of 100% of the share capital of its Mexican insurance subsidiary **Seguros ING**, for a price of \$1.5 billion (€959 million). In 2007, Seguros ING was the third largest Mexican insurer (12% total market share, 5.5 million clients), with leading positions in key markets, such as Motor (2nd largest player with a 17% market share) and Health (2nd largest player with a 19% market share). AXA intends to accelerate and complete the initiated turnaround of Seguros ING by dedicating seasoned management capabilities and leveraging the Group's global platforms and expertise, notably in IT and reinsurance. Upon completion of the transaction, Seguros ING was integrated to AXA's Mediterranean and Latin American Region and will benefit from its know-how in underwriting, claims management, client segmentation, service and brand management. AXA financed the transaction with internal resources. This acquisition closed on July 22, 2008.

On March 19, 2008, AXA UK completed the purchase of 100% of the share capital of **SBJ Group**. The acquisition of SBJ will complement and enhance AXA's UK advisory and broking capability, bringing a number of strengths to the Group, including increased scale, a wider national presence and access to new market areas. SBJ, with its strong management team and high quality staff, will represent significant progress towards AXA's stated strategic aim of building a leading presence in the advisory and broking markets. The businesses will continue to operate independently of AXA's insurance company interests.

On June 17, 2008, AXA completed the acquisition of 36.7% of the share capital of **RESO GARANTIA**, Russia's 2nd largest P&C insurer for a total cash consideration of around €810 million. As part of the agreement, AXA will have the option to buy out the remaining stake through calls exercisable in 2010 and 2011. Founded in 1991, RESO has built one of the leading P&C insurance franchises in Russia (7% market share), notably focused on retail Motor, and supported by a network of 18,000 agents, the 2nd largest in Russia. Under the terms of the agreement, RESO's current management team will continue to run the company and roll-out its successful strategy. With this acquisition, AXA will further increase its exposure to emerging insurance markets. As part of the agreement, AXA granted a 6-year \$1 billion credit facility to RESO's main shareholder, fully secured by his shareholding in the company.

Capital operations

At December 31, 2008, AXA had an outstanding hedging program on its direct equity exposure in Property & Casualty businesses and non participating Life businesses set up in order to reduce the exposure of AXA's shareholders' equity to equity investments and to limit the solvency I coverage ratio volatility.

This hedging program had been implemented since June 2008 through a put spread strategy financed by the sale of call options and dynamically managed over the second half.

As at December 31, 2008, AXA benefited from equity protection through two main tranches:

- €14 billion put spread, partly financed by the sale of call options on €9 billion, mainly on Eurostoxx 50 maturing in March 2010. This hedge aims (i) to protect against the potential losses of the equity portfolio if the equity markets decrease below the strike prices of the put options bought (included in a [3,301; 3,572] range) but do not decrease below the strike price of the put options sold (included in a [2,724; 2,858] range), and (ii) to offer potential upside up to the strike prices of the call options sold (included in a [3,976; 4,185] ranking).
- €9 billion put spread on Eurostoxx 50 maturing in April 2009 in order to lower the strike of the put options sold to a [2,475; 2,520] range.

At December closing, the strategy had a mark-to-market of €2,387.3 million including an intrinsic value of €3,358.4 million before tax.

For several years, the AXA Group has been offering to its employees in and outside of France, the opportunity to subscribe for shares issued by way of a capital increase reserved for employees. In 2008, employees invested a total of €460 million leading to a total of 24 million newly issued shares. Employee (including agents) shareholders represented 5.8% of the outstanding share capital as of November 28, 2008.

Other

In the United Kingdom, from January 31, 2008, a temporary deferral period of up to six months was introduced for certain transactions involving the AXA Life Property Fund (£0.8 billion or €0.9 billion at December 31, 2008) and AXA Pension Property Fund (£0.6 billion or €0.7 billion) which is allowed under the terms of the customer's policy in order to help manage liquidity. In the event that sufficient liquidity to honor all outstanding withdrawal requests by the end of the deferral period cannot be generated through the sale of properties held by the funds' and other sources of liquidity available to the funds, AXA UK, as sponsor of the funds, is required to provide the funds with sufficient liquidity to honor these withdrawal requests. As at December 31, 2008, liquidity in both funds has improved relative to when the deferral period was announced. The AXA Pension Property Fund has accelerated the payment of deferrals during the last quarter due to its strengthened liquidity position. However, current market uncertainty and difficult selling conditions warrant a prudent approach therefore both funds still keep in force the deferral notification (but will continue to accelerate deferred payments where forecast liquidity permits).

Events subsequent to December 31, 2008

In January 2009, AXA unwound €11 billion out of the first €14 billion tranche and the full €9 billion second tranche of its equity hedging program in order to lock in the positive mark-to-market resulting from the strong drop in equity markets. In addition, €2.5 billion calls on the remaining exposure were bought back. This resulted in a €46 million gain net of tax on the mark-to-market since December 31, 2008.

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

As of the end of 2008, AXA Financial, either directly or indirectly through wholly owned subsidiaries, had acquired a total of 32.7 million AllianceBernstein units for an aggregate market price of \$1,631 million through several purchases made pursuant to the Put. At December 31, 2008, AXA's ownership in AllianceBernstein L.P. was approximately 62.4%.

On January 6, 2009, the purchase of the last tranche of 8.16 million AllianceBernstein Units was completed for a total price of approximately \$150 million pursuant to the final installment of the Put, increasing the ownership of AXA in AllianceBernstein L.P. by approximately 3% to 65.4%.

The financial impact for AXA of the Klaus storm in France and Spain in early 2009 is expected to be approximately €-0.2 billion before tax.

Consolidated gross revenues

Consolidated Gross Revenues (a)

(in Euro million)

| | 2008 | 2007 | 2006 Restated (d) | 2006 Published | 2008/2007 |
|--|---------------|---------------|----------------------|-------------------|--------------|
| Life & Savings | 57,977 | 59,845 | 49,952 | 50,479 | -3.1% |
| of which Gross written premiums | 56,071 | 57,773 | 48,268 | 48,786 | -2.9% |
| of which Fees and revenues from investment contracts with no participating feature | 662 | 740 | 608 | 608 | -10.6% |
| Property & Casualty | 26,039 | 25,016 | 19,510 | 19,793 | 4.1% |
| International Insurance | 2,841 | 3,568 | 3,716 | 3,716 | -20.4% |
| Asset Management | 3,947 | 4,863 | 4,406 | 4,406 | -18.8% |
| Banking (b) | 412 | 339 | 377 | 377 | 21.4% |
| Holdings and other companies (c) | 5 | 2 | 4 | 4 | 90.6% |
| TOTAL | 91,221 | 93,633 | 77,966 | 78,775 | -2.6% |

(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 €473 million and €91,285 million for the period ending December 31, 2008, €320 million and €93,617 million for the period ending December 31, 2007, and €393 million and €77,984 million for the period ending December 31, 2006.

(c) Includes notably CDOs and real estate companies.

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

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

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

Consolidated gross revenues for full year 2008 reached €91,221 million, down 3% compared to 2007.

Taking into account the restatements to comparable basis, mainly the impact of acquisition of MPS (€2,660 million or -2.8 points) and the appreciation of the Euro against other currencies (€2,858 million or +3.1 points, mainly from the British Pounds and US Dollar), **gross consolidated revenues were down 2% on a comparable basis.**

Total Life & Savings gross revenues were down 3% to €57,977 million, or down 4% on a comparable basis mainly due to France, the United States, the United Kingdom, and Japan, partly offset by Mediterranean and Latin American Region, Australia and Switzerland.

Total Life & Savings New Business APE⁵⁴ reached €6,789 million, down 12% compared to 2007. On a comparable basis, APE decreased by 9%, mainly due to the United States and Australia but also the United Kingdom, Belgium and Japan, partly offset by Switzerland and Central Eastern Europe.

The United States APE decreased by €420 million (-20%) to €1,540 million driven primarily by a 15% decrease in Variable Annuities, reflecting challenging market conditions, and an anticipated decrease in Life for Fixed Universal Life products following price increases in 2007.

United Kingdom APE decreased by €89 million (-6%) to €1,287 million as a result of:

- 21% lower Onshore and Offshore bond premiums following recent tax changes and market turmoil.

⁵⁴ Annual Premium Equivalent (APE) is new regular premium plus one tenth of single premiums, in line with EEV methodology. APE is Group Share.

- 14% lower Individual and Executive Pensions businesses following falls in the stock market leading to lower transfers and average values.
- 10% higher Corporate Pensions business due to the success of the new proposition leading to large corporate scheme deals.
- 19% higher Protection products sales due to strengthening of the AXA Protection Account brand and a strong direct proposition.

Japan APE decreased by €52 million (-10%) to €482 million mainly driven by individual business which decreased by 9% (€46 million), notably:

- Life: APE decreased by €23 million (-11%) to €188 million mainly due to lower revenues from lower margin products not actively promoted (Endowment, Whole Life and Group) and lower Term products revenues due to a regulator review of the tax deductibility;
- Investments & Savings: APE decreased by €9 million (-10%) to €76 million mainly due to lower sales of variable annuity products following turbulent market conditions and heavier regulatory sales process;
- Health: APE decreased by €14 million (-6%) to €212 million due to strong sales of medical products in 2007 and to the bankruptcy of a large non-proprietary distributor in the last quarter of 2008.

Switzerland APE increased by €49 million (+22%) to €280 million:

- *Group Life* increased by €42 million (+26%) to €211 million resulting from successful annual negotiations (€+75 million), partly offset by the non repeat of 2007 increase in “low margin” coinsurance business (€-33 million).
- *Individual Life* improved by €6 million (+11%) to €69 million mainly resulting from the positive development regular premiums both unit-linked (+22% or €+2 million) and non unit-linked (+10% or €+3 million), and the positive impact of mutual fund sales (€+1 million) launched late in 2007.

Belgium APE decreased by €81 million (-24%) to €260 million due to the decrease in Individual Life sales (-28% to €222 million) for both unit-linked and non unit-linked products, partly offset by higher sales in Group life (+13% to €38 million).

Australia/New-Zealand APE decreased by €156 million (-29%) to €378 million mainly due to a drop in Mutual Fund and AllianceBernstein Joint Venture sales following negative market conditions in 2008 and the favorable legislation change in 2Q07 (peak in sales last year). These negative impacts were partially offset by the inclusion of some significant wholesale premiums (€+29 million) from institutional clients seeking more conservative investments, and by Accumulator product sales.

Central & Eastern Europe APE increased by €37 million (+33%) to €164 million driven by Life & Savings (€91 million, +59%), mainly driven by short term Tax Wrapper product in Poland, and Pension Funds (€73 million, +10%). Main countries contributing to the growth were Poland (€90 million, +69%) and Czech Republic (€58 million, +18%).

Property & Casualty gross revenues were up 4% to €26,039 million, or +3% on a comparable basis mainly driven by Mediterranean & Latin American Region (+6% to €6,414 million) and France (+3% to 5,595 million).

Personal lines (61% of P&C gross revenues) were up 3% on a comparable basis, stemming from both Motor (+2%) and Non-Motor (+3%).

Motor revenues grew by 2% mainly driven by (i) the Mediterranean & Latin American Region up 2%, driven by Turkey and the Gulf Region, (ii) France up 3% reflecting higher net inflows (+133k new contracts stemming from all distribution channels) in a competitive market, (iii) Asia (including Japan and South Korea) up 12% confirming its strong momentum, and (iv) the United Kingdom & Ireland up 2%, driven by +34% growth (or €66m) in Swiftcover direct business, offset by a decrease of intermediated business linked to price increase to address profitability and

competition driving down prices in Ireland, partly offset by (v) Germany (-3%) as a result of contract losses in the context of market price pressure.

Non-Motor revenues increased by 3% mainly driven by (i) France up 5% driven by positive net inflows (+71k) combined with an increase in the average premium in Household, and (ii) the Mediterranean & Latin American Region up 6% driven by Property (+6%, mainly in Spain), and Health (+5%, driven by a new successful segmentation in Mexico).

Commercial lines (39% of P&C gross revenues) recorded a 3% growth on a comparable basis driven by both Motor (+3%) and Non-Motor (+3%).

Motor revenues were up 3%, with strong growth in (i) Mediterranean & Latin American Region (+9%) due to Mexico (+26% from both renewal and acquisitions of large contracts), partly offset by Spain (-9% due to economic slowdown), and (ii) Switzerland (+7%) driven by sales efforts, partly offset by (iii) the United Kingdom & Ireland (-2%) principally reflecting rate reductions in Ireland to address increased competition whereas the United Kingdom remained resilient.

Non-Motor revenues were up 3%, driven by (i) Mediterranean & Latin American Region (+13%) due to the positive contribution from Health up 45% mainly driven by new corporate contracts issued in the Gulf Region and Mexico, (ii) France (+4%) mainly driven by a strong portfolio development in Construction (+9%), and a moderate growth in Property (+2%) and Liability (+3%) in a context of competitive markets, and (iii) Belgium (+3%) driven by all lines except in Property.

International Insurance revenues were down 20% to €2,841 million due to the termination in October 2007 of the fronting agreement between AXA RE and Paris Ré. Revenues were up 7% on a comparable basis driven by AXA Corporate Solutions Assurance and AXA Assistance.

AXA Corporate Solutions Assurance revenues were up 6% to €1,954 million, driven by portfolio development and positive volume effect in Construction, Marine and Liability in a tough pricing environment.

AXA Assistance revenues were up 11% to €751 million driven by strong development in Healthcare and Travel activities.

Asset management revenues decreased by 19% or -14% on a comparable basis to €3,947 million driven by lower management fees (-11%) due to lower average Assets under Management (-8% on a comparable basis) and a drop in performance fees (-29%) in a context of financial crisis.

AllianceBernstein revenues were down 14% to €2,511 million driven by the decrease in management fees (-14%) in line with lower average assets under management, in performance fees (-85%), in distribution fees (-20%) and in others fees (-16%). Institutional Research Services continued to grow with fees up 11%.

Assets Under Management decreased by €212 billion from year end 2007 to €331 billion at the end of 2008, driven by market depreciation of €-200 billion and net outflows of €-30 billion, partly offset by a positive exchange rate impact of €18 billion.

AXA Investment Managers revenues decreased by €236 million (-14%) to €1,436 million. Excluding distribution fees (retroceded to distributors), gross revenues decreased by €89 million (-6%) mainly due to an unfavorable client and product mix and the decrease in retail business, while average AUM remained stable.

Assets Under Management decreased by €63 billion from year-end 2007 to €485 billion at the end of 2008 as €2 billion net new money, and €17 billion change in scope, were more than offset by €-61 billion negative market impact due to the equity market turmoil, and €-20 billion unfavorable exchange rate impact.

Net banking revenues in Banking segment were up 22% or +15% on a comparable basis to €412 million, mainly attributable to AXA Bank Europe (+15% to €249 million mainly due to higher net interest and fee income) and AXA Banque (+25% to €102 million).

Consolidated underlying, adjusted earnings and net income

(in Euro million)

| | 2008 | 2007 | 2006 Restated (b) | 2006 Published |
|--|-----------------|------------------|----------------------|-------------------|
| Gross written premiums | 84,662 | 86,116 | 71,299 | 72,099 |
| Fees and revenues from investment contracts with no participating feature | 662 | 740 | 608 | 608 |
| Revenues from insurance activities | 85,324 | 86,857 | 71,907 | 72,707 |
| Net revenues from banking activities | 473 | 320 | 393 | 393 |
| Revenues from other activities | 5,488 | 6,441 | 5,684 | 5,693 |
| TOTAL REVENUES | 91,285 | 93,617 | 77,984 | 78,793 |
| Change in unearned premium reserves net of unearned revenues and fees | (208) | (609) | (474) | (498) |
| Net investment result excluding financing expenses (a) | (27,620) | 24,572 | 30,286 | 30,774 |
| Technical charges relating to insurance activities (a) | (37,493) | (88,961) | (83,115) | (84,074) |
| Net result of reinsurance ceded | (101) | (1,050) | (1,450) | (1,455) |
| Bank operating expenses | (59) | (57) | (78) | (78) |
| Insurance acquisition expenses | (8,672) | (8,669) | (7,079) | (7,162) |
| Amortization of value of purchased life business in force | (473) | (357) | (232) | (241) |
| Administrative expenses | (10,076) | (10,089) | (8,668) | (8,751) |
| Valuation allowances on tangibles assets | (1) | 4 | 18 | 18 |
| Change in value of goodwill | (7) | (1) | - | - |
| Other | (181) | (419) | (448) | (451) |
| Other operating income and expenses | (57,063) | (109,597) | (101,052) | (102,193) |
| INCOME FROM OPERATING ACTIVITIES, GROSS OF TAX EXPENSE | 6,394 | 7,983 | 6,745 | 6,876 |
| Net income from investments in affiliates and associates | 23 | 29 | 21 | 21 |
| Financing expenses | (685) | (467) | (473) | (474) |
| OPERATING INCOME GROSS OF TAX EXPENSE | 5,732 | 7,545 | 6,293 | 6,423 |
| Income tax expenses | (1,150) | (1,941) | (1,754) | (1,793) |
| Minority interests in income or loss | (538) | (642) | (620) | (620) |
| UNDERLYING EARNINGS | 4,044 | 4,963 | 3,919 | 4,010 |
| Net realized capital gains or losses attributable to shareholders | (345) | 1,175 | 1,107 | 1,130 |
| ADJUSTED EARNINGS | 3,699 | 6,138 | 5,026 | 5,140 |
| Profit or loss on financial assets (under fair value option) & derivatives | (2,501) | (596) | (228) | (226) |
| Exceptional operations (including discontinued operations) | (49) | 482 | 311 | 196 |
| Goodwill and other related intangible impacts | (99) | (106) | (24) | (24) |
| Integration costs | (127) | (252) | - | - |
| NET INCOME | 923 | 5,666 | 5,085 | 5,085 |

(a) For the periods ended December 31, 2008, December 31, 2007 and December 31, 2006, the change in fair value of assets backing contracts with financial risk borne by policyholders impacted the net investment result for respectively €43,687 million, €+7,476 million and €+15,158 million, and benefits and claims by the offsetting amounts respectively.

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

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

(in Euro million)

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

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

Underlying, Adjusted earnings and Net Income

(in Euro million)

| | 2008 | 2007 | 2006 Restated (b) | 2006 Published |
|--|--------------|--------------|----------------------|-------------------|
| Life & Savings | 1,508 | 2,670 | 2,270 | 2,325 |
| Property & Casualty | 2,394 | 1,863 | 1,417 | 1,453 |
| International Insurance | 188 | 218 | 131 | 131 |
| Asset Management | 589 | 590 | 508 | 508 |
| Banking | 33 | 36 | 18 | 18 |
| Holdings and other companies (a) | (668) | (414) | (424) | (424) |
| UNDERLYING EARNINGS | 4,044 | 4,963 | 3,919 | 4,010 |
| Net realized capital gains or losses attributable to shareholders | (345) | 1,175 | 1,107 | 1,130 |
| ADJUSTED EARNINGS | 3,699 | 6,138 | 5,026 | 5,140 |
| Profit or loss on financial assets (under Fair Value option) & derivatives | (2,501) | (596) | (228) | (226) |
| Exceptional operations (including discontinued operations) | (49) | 482 | 311 | 196 |
| Goodwill and related intangibles impacts | (99) | (106) | (24) | (24) |
| Integration costs | (127) | (252) | - | - |
| NET INCOME | 923 | 5,666 | 5,085 | 5,085 |

(a) Includes notably CDOs and real estate companies.

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

Group underlying earnings amounted to €4,044 million. On a constant exchange rate basis, underlying earnings decreased by €857 million (-17%), mainly driven by Life & Savings partly offset by Property & Casualty.

Life & Savings underlying earnings amounted to €1,508 million. On a constant exchange rate basis, Life & Savings underlying earnings were down €-1,147 million (-43%) mainly attributable to the United States (€-1,125 million), Germany (€-139 million), and the United Kingdom (€-113 million), partly offset by France (€+144 million), Belgium (€+46 million) and Switzerland (€+46 million).

Excluding the contribution of AXA MPS (€28 million) and Mexico (€-4 million) and on a constant exchange rate basis, **underlying earnings** decreased by €-1,170 million (-44%) mainly resulting from:

- (i) **Lower net technical margin**, down €-1,553 million (-110%). Excluding the €+26 million positive impact of a reclassification from fees & revenues in the United Kingdom, the net technical margin decreased by €-1,579 million (-112%), mainly driven by lower profits from Variable Annuity guarantees in the United States, mainly explained by underperformance of certain Separate Account funds versus hedge indices, the impact on fund balances of credit spread widening, and higher equity market and interest rate volatility.
- (ii) **Higher expenses** (€-259 million or up 4%) with acquisition expenses up €26 million (+1%) and administrative expenses up €233 million (+7%). Acquisition expenses were impacted by €-23 million reclassification of charges from fees & revenues in the United Kingdom and €-117 million higher amortization of DAC offsetting higher unearned revenue reserve (URR) release in France. Excluding (i) the impact of these reclassified items

and (ii) €105 million higher expenses coming from acquisitions of the financial advisor Genesys in Australia and the brokerage company SBJ in the United Kingdom, expenses increased by €14 million (+0%), with:

- a. **Acquisition expenses** down €114 million (or -4%) mainly driven by €79 million lower DAC amortization in the United States, reflecting €690 million reactivity mainly to lower margins on Variable Annuity guarantees partly offset by €-610 million adjustment reflecting an unlocking and amortization reset to reflect a long-term average Separate Account return of 9%.
- b. **Administrative expenses** up €128 million (or +4%) mainly driven by the United Kingdom (up €223 million including significant strategic initiatives, such as the wealth management wrap platform and Architas investment sub-advisory platform), partly offset by the United States (down €72 million due to expense management initiatives and changes to employee benefit plans) and Switzerland (down €44 million notably due to change in own pension scheme).

(iii) **A higher level of VBI amortization** (€-89 million or up 26%) mainly attributable to (i) a €66 million increase in the UK due to the impact of 2008 market conditions and (ii) a €25 million increase in Japan driven by assumption changes, partly offset by the natural decline in VBI balance and the non recurring impact of 2007 old Medical Whole Life conversion campaign.

These evolutions were partly offset by:

- (iv) **Higher investment margin** (€+5 million or up 0%) as the €153 million lower investment income was more than offset by the €157 million lower policyholders' participation. Excluding the United Kingdom (where the split between investment income and policyholders' participation is not meaningful due to the With Profit business), investment margin was down €22 million (-1%) with:
 - a. **Investment income** down €-78 million (-1%) mainly in the United States (€-170 million reflecting lower interest rates along with lower returns on alternative investments) and Japan (€-105 million mainly driven by lower dividends on alternative assets due to poor financial market condition), partly offset by France (€+246 million due to higher investment revenues, mainly on bonds due to a volume effect and higher yields), partly offset by
 - b. **Policyholders' participation** down €56 million (-1%) notably driven by Japan (down €101 million).
- (v) **Higher Fees & Revenues** (€+13 million or 0%). Fees & Revenues were impacted by €+117 million of URR release in France (offset by DAC amortization) and €-3 million net reclassification to expenses and technical margin in the United Kingdom. Excluding (i) the impact of these reclassified items and (ii) €96 million higher fees & revenues coming from acquisitions of the financial advisor Genesys in Australia and the brokerage company SBJ in the United Kingdom, Fees & Revenues were down €197 million (-3%) driven by:
 - a. **Loadings on premiums and Mutual Funds** up €108 million (+3%), mainly due to France (€+58 million as a result of a €+92 million increase of loadings on non unit-linked premiums, partly offset by a €-33 million decrease on unit-linked premiums) and Japan (€+37 million due to an improved business mix, especially on medical products).
 - b. **Unit-linked management fees** down €228 million (-10%) mainly driven by France (€-95 million or -23%), the United States (€-71 million or -6%) and the United Kingdom (€-49 million or -11%), due to lower average balances (down 17% in France, 8% in the United States and 3% in the United Kingdom) together with slightly lower average fees.
 - c. **Other fees & revenues** down €78 million (-12%) driven notably by Switzerland due to more fees & revenues allocated to policyholders in Group Life.
- (vi) **Lower tax expenses and minority interests** (down €673 million or -60%). Excluding €23 million of lower positive tax one-offs (mainly €58 million lower in Germany, €26 million lower in Belgium, and €17 million lower in the United States, partly offset by €73 million higher in the United Kingdom), tax expenses and minority interests decreased by €696 million (-55%), mainly driven by lower pre-tax earnings in the United States, the United Kingdom, Germany and Australia.

Property & Casualty underlying earnings amounted to €2,394 million. On a constant exchange rate basis, Property & Casualty underlying earnings increased by €575 million (+31%) fuelled by an improved combined ratio (down 1.9 points to 95.5%). Excluding the change in scope related to AXA MPS (€7 million), Gulf (€12 million) and Mexico (€6 million), Property & Casualty underlying earnings increased by €550 million (+30%) fuelled by an improved combined ratio in almost all countries (down 2.1 points to 95.4%).

- (i) **Higher technical result (including expenses)** up €+571 million (or up €572 million excluding Mexico, AXA MPS and Gulf) due to :
 - a. **An all year loss ratio** improving by 2.7 points to 67.1%. Excluding the contribution of AXA MPS, Gulf and Mexico, the all year loss ratio improved by 2.8 points to 67.0% owing to a lower impact of natural events in 2008 (storms in Germany for 0.3 point) than in 2007 (Kyrill storm for 0.9 point and floods in the United Kingdom for 1.1 points) and to more favorable prior year reserve developments.
Partly offset by:
 - b. **Higher expenses** (€-747 million), or €-475 million excluding the contribution of AXA MPS (€-20 million), Gulf (€-58 million) and Mexico (€-194 million), resulting in a 0.7 point increase in the **expense ratio** to 28.4% driven by the administrative ratio up 0.8 point to 10.0% (due to Germany and Mediterranean and Latin American Region), partly offset by the acquisition expense ratio down 0.1 point to 18.4%.

As a consequence, the **combined ratio** decreased by 1.9 points to 95.5%. Excluding AXA MPS, Gulf and Mexico, the combined ratio decreased by 2.1 points to 95.4%.

- (ii) **Higher investment result** (€+260 million), or up €210 million (+10%) excluding the contribution of AXA MPS (€+7 million), Gulf (€+5 million) and Mexico (€+38 million), driven by higher fixed income asset base and yield.
- (iii) **Higher income tax expense and minority interests** (up €257 million or 33%). Excluding €44 million of lower positive tax one-offs mainly in Germany, tax expenses and minority interests increased by €213 million (+24%) due to higher pre-tax earnings.

International Insurance underlying earnings amounted to €188 million. On a constant exchange rate basis, underlying earnings decreased by €45 million (-21%) mainly driven by lower run-off results.

Asset Management underlying earnings amounted to €589 million. On a constant exchange rate basis, asset management underlying earnings increased by €35 million (+6%) mainly due to a deferred tax liability release on undistributed foreign earnings (€62 million) at AllianceBernstein, partly offset by lower gross revenues and investment result, together with deteriorating cost income ratio (+0.2 point to 67.3%) notably impacted by severance costs at AllianceBernstein.

Banking segment's underlying earnings decreased by €3 million (-8%) to €33 million, driven by AXA Banque in France (€-12 million resulting mainly from commercial development costs in savings and current accounts combined with a slight fall on lending activity in the context of the financials crisis) and the Swiss Bank (€-22 million due to start up costs), partly offset by AXA Bank Europe (€+29 million notably due to a higher interest margin).

Holdings and other companies' underlying earnings amounted to €-668 million. On a constant exchange rate basis, holdings underlying earnings decreased by €272 million mainly due to:

- (i) AXA SA (€-213 million) driven by €-96 million higher financial charge, notably related to external growth financing and internal refinancing, €-73 million lower profit on hedging of earnings denominated in foreign currencies, and €-31 million higher tax expenses resulting from higher dividends received from consolidated foreign subsidiaries and losses on tax credits.
- (ii) UK Holdings (€-77 million) primarily resulting from the non recurrence of a 2007 €64 million release of a deferred tax provision held against proposed dividend payment from Ireland to the UK.

Group net capital losses attributable to shareholders amounted to €-345 million. On a constant exchange rate basis, Group net capital gains and losses attributable to shareholders were down €1,568 million mainly due to:

- (i) €-2,415 million higher **net impairments**, to €-2,773 million in 2008 mainly on equity securities (€-1,836 million in 2008) and debt securities (€-503 million in 2008) as a result of the financial crisis.
- (ii) €-790 million lower **net realized gains excluding impairments**, to €792 million in 2008, mainly driven by €575 million lower realized gains on equities as well as €112 million higher realized losses on debt securities (mainly due to the United States and Switzerland).
- (iii) €+1,636 million increase in market value of equity derivatives in 2008 mainly driven by €+1,335 million at AXA SA, due to equity derivatives set up to reduce the Group exposure to equities, and also €+143 million in Germany and €+109 million in France.

Adjusted earnings amounted to €3,699 million. On a constant exchange rate basis, adjusted earnings were down €2,424 million (-39%) as a result of lower underlying earnings and lower net capital gains.

Net Income amounted to €923 million. On a constant exchange rate basis, net income decreased by €4,727 million (-83%) mainly as a result of:

- (i) **Lower adjusted earnings:** €-2,424 million, on a constant exchange rate basis.
- (ii) **Lower result on change in fair value of financial assets and derivatives including foreign exchange impacts:** €-1,896 million to €-2,501 million in 2008. These €-2,501 million can be analyzed as follows:
 - a. €+188 million corresponding to the cancellation of deferred tax liabilities on assets under fair value option overestimated in previous years in France.
 - b. €-2,317 million change in fair value and realized gains on Mutual Funds, other assets and freestanding derivatives, mainly driven by credit spread widening.
 - c. €+159 million in the United Kingdom reflecting an undiscounted tax adjustment on unrealized gains attributable to policyholders in unit-linked life fund.
 - d. €-425 million of foreign exchange impacts (including foreign exchange derivatives and impairments), mainly offset by positive changes booked in shareholders' equity.
 - e. An exceptional adjustment of €-106 million in Japan. As a reminder, AXA Japan closes its books at the end of September. According to IFRS principles whereby the financial statements of the subsidiary shall be adjusted to reflect the effects of significant events that would have been recognized with a closing date aligned on the AXA Group, AXA Japan's 2008 accounts were adjusted with a provisional loss related to the activity from October to December 2008. This adjustment reflected mainly the impact of the further increase of credit spreads on the CDS and corporate bonds portfolio during this period.
- (iii) **Lower exceptional operations result including discontinued operations:** down €-534 million at constant exchange rates to €-49 million, as 2007 included €480 million related to the sale of the Dutch activities, while 2008 was impacted by €-10 million from the sale of the annuity portfolio in Australia as well as €-38 million of tax effect on transfer of AllianceBernstein units.

(iv) €123 million lower Winterthur integration costs to €-127 million.

Consolidated Shareholders' Equity

As of December 31, 2008, consolidated shareholders' equity totaled €37.4 billion. The movements in shareholders' equity since December 31, 2007 are presented in the table below:

| | (in Euro million) |
|--|-----------------------------|
| | Shareholders' Equity |
| At December 31, 2007 | 45,642 |
| Share Capital | 65 |
| Capital in excess of nominal value | 370 |
| Equity-share based compensation | 107 |
| Treasury shares sold or bought in open market | 169 |
| Deeply subordinated debt (including accrued interests) | (719) |
| Fair value recorded in shareholders' equity | (5,087) |
| Impact of currency fluctuations | (1,234) |
| Cash dividend | (2,473) |
| Other | 373 |
| Net income for the period | 923 |
| Actuarial gains and losses on pension benefits | (695) |
| At December 31, 2008 | 37,440 |

Shareholder Value

EARNINGS PER SHARE ("EPS")

| | (in Euro million except ordinary shares in million) | | | | | | | | | |
|---|---|-------------------|-----------|-------------------|-------------------|-------------------|----------------|-------------------|-----------------------|-------------------|
| | 2008 | | 2007 | | 2006 Restated (b) | | 2006 Published | | Var. 2008 versus 2007 | |
| | Basic (a) | Fully diluted (a) | Basic (a) | Fully diluted (a) | Basic (a) | Fully diluted (a) | Basic (a) | Fully diluted (a) | Basic (a) | Fully diluted (a) |
| Weighted average number of shares | 2,035.4 | 2,043.6 | 2,042.7 | 2,060.8 | 1,947.8 | 2,031.7 | 1,947.8 | 2,031.7 | | |
| Net income (Euro per Ordinary Share) | 0.44 | 0.44 | 2.76 | 2.73 | 2.54 | 2.49 | 2.54 | 2.49 | -84.0% | -83.9% |
| Adjusted earnings (Euro per Ordinary Share) | 1.67 | 1.66 | 2.86 | 2.84 | 2.50 | 2.45 | 2.56 | 2.51 | -41.7% | -41.4% |
| Underlying earnings (Euro per Ordinary Share) | 1.84 | 1.83 | 2.29 | 2.27 | 1.93 | 1.91 | 1.98 | 1.95 | -19.6% | -19.2% |

(a) From HY 2008, EPS calculation takes into account interest payments and foreign exchange impacts related to perpetual debts classified in shareholders equity with retrospective application.

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

RETURN ON EQUITY (“ROE”)

(in Euro million)

| | Period ended , December 31, 2008 | Period ended , December 31, 2007 | Change in % points |
|----------------------------------|----------------------------------|----------------------------------|--------------------|
| ROE | 2.3% | 13.1% | -10.9% |
| Net income | 923 | 5,666 | |
| Average shareholders' equity | 40,615 | 43,096 | |
| Adjusted ROE | 11.0% | 19.7% | -8.7% |
| Adjusted earnings (a) | 3,400 | 5,848 | |
| Average shareholders' equity (b) | 30,902 | 29,744 | |
| Underlying ROE | 12.1% | 15.7% | -3.6% |
| Underlying earnings (a) | 3,745 | 4,673 | |
| Average shareholders' equity (b) | 30,902 | 29,744 | |

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

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

Life & Savings Segment

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

Life & Savings Segment (a)

(in Euro million)

| | 2008 | 2007 | 2006 Restated (c) | 2006 Published |
|--|-----------------|-----------------|----------------------|-------------------|
| Gross written premiums | 56,127 | 57,807 | 48,275 | 48,793 |
| Fees and revenues from investment contracts without participating feature | 662 | 740 | 608 | 608 |
| Revenues from insurance activities | 56,789 | 58,548 | 48,883 | 49,401 |
| Net revenues from banking activities | 0 | - | - | - |
| Revenues from other activities | 1,246 | 1,332 | 1,076 | 1,084 |
| TOTAL REVENUES | 58,035 | 59,879 | 49,959 | 50,485 |
| Change in unearned premium reserves net of unearned revenues and fees | (235) | (275) | (250) | (271) |
| Net investment result excluding financing expenses (b) | (30,578) | 21,857 | 28,198 | 28,656 |
| Technical charges relating to insurance activities (b) | (18,380) | (69,987) | (68,236) | (69,052) |
| Net result of reinsurance ceded | 913 | 33 | (27) | (28) |
| Bank operating expenses | - | - | - | - |
| Insurance acquisition expenses | (3,622) | (3,726) | (3,065) | (3,073) |
| Amortization of value of purchased life business in force | (473) | (357) | (232) | (241) |
| Administrative expenses | (3,481) | (3,382) | (2,814) | (2,863) |
| Valuation allowances on tangible assets | 0 | 1 | 7 | 7 |
| Change in value of goodwill | (4) | 0 | - | - |
| Other | (117) | (189) | (110) | (111) |
| Other operating income and expenses | (25,164) | (77,607) | (74,477) | (75,361) |
| INCOME FROM OPERATING ACTIVITIES, GROSS OF TAX EXPENSE | 2,058 | 3,855 | 3,430 | 3,509 |
| Net income from investments in affiliates and associates | 21 | 22 | 12 | 12 |
| Financing expenses | (63) | (69) | (76) | (76) |
| OPERATING INCOME GROSS OF TAX EXPENSE | 2,016 | 3,808 | 3,366 | 3,445 |
| Income tax expenses | (314) | (924) | (903) | (928) |
| Minority interests in income or loss | (193) | (213) | (193) | (193) |
| UNDERLYING EARNINGS | 1,508 | 2,670 | 2,270 | 2,325 |
| Net realized capital gains or losses attributable to shareholders | (784) | 567 | 575 | 597 |
| ADJUSTED EARNINGS | 725 | 3,238 | 2,845 | 2,921 |
| Profit or loss on financial assets (under fair value option) & derivatives | (1,079) | (237) | 48 | 49 |
| Exceptional operations (including discontinued operations) | (29) | (1) | 74 | (3) |
| Goodwill and other related intangible impacts | (25) | (39) | (10) | (10) |
| Integration costs | (38) | (63) | - | - |
| NET INCOME | (446) | 2,899 | 2,957 | 2,957 |

(a) Before intercompany transactions.

(b) For the periods ended December 31, 2008, December 31, 2007, and December 31, 2006, the change in fair value of assets backing contracts with financial risk borne by policyholders impacted the net investment result for respectively € -43,687 million, € +7,468 million and € +15,158 million, and benefits and claims by the offsetting amounts respectively.

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

Consolidated Gross Revenues

(in Euro million)

| | 2008 | 2007 | 2006 Restated (b) | 2006 Published |
|--|---------------|---------------|-------------------|----------------|
| France | 14,298 | 15,052 | 14,802 | 14,802 |
| United States | 13,757 | 16,244 | 15,390 | 15,390 |
| United Kingdom | 3,549 | 4,628 | 4,292 | 4,292 |
| Japan | 4,628 | 5,116 | 5,027 | 5,027 |
| Germany | 6,233 | 6,201 | 3,681 | 3,681 |
| Switzerland | 4,495 | 4,133 | 141 | 141 |
| Belgium | 2,563 | 3,075 | 2,512 | 2,512 |
| Mediterranean & Latin American Region (a) | 4,822 | 1,924 | 1,476 | 1,476 |
| Other countries | 3,690 | 3,507 | 2,637 | 3,164 |
| TOTAL | 58,035 | 59,879 | 49,959 | 50,485 |
| Intercompany transactions | (59) | (35) | (7) | (7) |
| Contribution to consolidated gross revenues | 57,977 | 59,845 | 49,952 | 50,479 |

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

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

Underlying, Adjusted earnings and Net Income

(in Euro million)

| | 2008 | 2007 | 2006 Restated (b) | 2006 Published |
|--|--------------|--------------|-------------------|----------------|
| France | 675 | 531 | 462 | 462 |
| United States | (225) | 883 | 1,000 | 1,000 |
| United Kingdom | 122 | 255 | 155 | 155 |
| Japan | 238 | 254 | 256 | 256 |
| Germany | 43 | 182 | 69 | 69 |
| Switzerland | 218 | 165 | 3 | 3 |
| Belgium | 136 | 90 | 65 | 65 |
| Mediterranean & Latin American Region (a) | 108 | 73 | 57 | 57 |
| Other countries | 192 | 237 | 203 | 258 |
| UNDERLYING EARNINGS | 1,508 | 2,670 | 2,270 | 2,325 |
| Net realized capital gains or losses attributable to shareholders | (784) | 567 | 575 | 597 |
| ADJUSTED EARNINGS | 725 | 3,238 | 2,845 | 2,921 |
| Profit or loss on financial assets (under Fair Value option) & derivatives | (1,079) | (237) | 48 | 49 |
| Exceptional operations (including discontinued operations) | (29) | (1) | 74 | (3) |
| Goodwill and related intangible impacts | (25) | (39) | (10) | (10) |
| Integration costs | (38) | (63) | 0 | 0 |
| NET INCOME | (446) | 2,899 | 2,957 | 2,957 |

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

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

Life & Savings operations – France

| | (in Euro million) | | |
|--|-------------------|---------------|---------------|
| | 2008 | 2007 | 2006 |
| Gross revenues | 14,298 | 15,052 | 14,802 |
| <i>APE (Group share)</i> | <i>1,347</i> | <i>1,360</i> | <i>1,231</i> |
| Investment margin | 1,022 | 937 | 890 |
| Fees & revenues | 1,516 | 1,463 | 1,345 |
| Net technical margin | 467 | 265 | 88 |
| Expenses | (2,100) | (1,911) | (1,680) |
| Amortization of VBI | (50) | (43) | (68) |
| Other | 8 | - | - |
| Underlying operating earnings before tax | 862 | 711 | 575 |
| Income tax expenses / benefits | (185) | (178) | (111) |
| Minority interests | (3) | (2) | (2) |
| Underlying earnings Group share | 675 | 531 | 462 |
| Net capital gains or losses attributable to shareholders net of income tax | 311 | 269 | 204 |
| Adjusted earnings Group share | 986 | 800 | 666 |
| Profit or loss on financial assets (under FV option) & derivatives | (561) | (91) | 110 |
| Exceptional operations (including discontinued operations) | - | - | - |
| Goodwill and other related intangibles impacts | - | - | - |
| Integration costs | - | - | - |
| Net income Group share | 425 | 709 | 776 |

Gross revenues decreased by €754 million (-5%) to €14,298 million. On a comparable basis (excluding Neuflyze Vie which is consolidated using the equity method starting 01/01/08 versus proportionate before), gross revenues decreased by €380 million (-3%) as a result of:

- (i) a decrease in individual savings (-5%) which however, outperformed the market (estimated between -9% and -11%)
- (ii) a decrease in Group Retirement (-30%) due to an exceptional volume of large contracts in 2007 not repeated in 2008
- (iii) an increase in individual health (+15%) and in Protection Group insurance (+ 9%), both due to positive net inflows.

APE decreased by €14 million (-1%) to €1,347 million mainly due to group retirement (-45%) and individual savings (-6%) partly offset by strong health business (+82%).

Investment margin increased by €84 million (+9%) to €1,022 million due to higher investment revenues, mainly on bonds due to a volume effect and higher yield.

Fees & revenues increased by €53 million (+4%) to €1,516 million resulting from a €117 million higher URR (Unearned Revenue Reserve) release offset by higher deferred acquisition costs amortization. Excluding URR, fees and revenues decreased by €64 million mainly due to lower revenues on unit-linked contracts (€-127 million) given lower premium and lower account balances partly offset by higher loadings on non unit-linked premiums (€+92 million).

Net technical margin rose by €202 million (+76%) to €467 million mainly due to higher favorable prior years development on group lines.

Expenses increased by €189 million (+10%) to €2,100 million mainly due to higher net amortization of deferred acquisition costs (€125 million) offsetting URR. Excluding DAC, expenses increased by €65 million (+3%) driven by an increase in general expenses (€47 million) due to new IT projects, marketing and advertising costs.

Amortization of VBI increased by €7 million (+16%) to €-50 million.

As a consequence the **underlying cost income ratio** decreased by 1.7 points to 71.6%.

Income tax expenses increased by €7 million (+4%) to €185 million as the impact of the increased taxable result was largely offset by the increase of non taxable dividends.

As a consequence, **underlying earnings** increased by €144 million (+27%) to €675 million.

Adjusted earnings increased by €185 million (+23%) to €986 million resulting from:

- (i) the evolution of underlying earnings (€+144 million)
- (ii) a positive impact of derivatives hedging assets attributable to shareholders, for which intrinsic value evolution is reported in adjusted earning (€+101 million) partly offset by
- (iii) lower net capital gains attributable to shareholders (€-59 million to €210 million) mainly due to higher impairment on equities.

Net income decreased by €284 million to €425 million reflecting (i) the improvement of the adjusted earnings by €185 million offset by (ii) a €-304 million unfavorable change in fair value (mainly due to mutual funds exposed to credit) and by (iii) a negative impact of derivatives for €-117 million (including €-40 million of time value of hedging derivatives in 2008) and foreign exchange for €-48 million. In 2008, the net change in fair value on assets under fair value option included a corrective gain of €147 million corresponding to the cancellation of deferred tax liabilities overestimated in previous years.

Life & Savings operations - United States

| | (in Euro million) | | |
|--|-------------------|---------------|---------------|
| | 2008 | 2007 | 2006 |
| Gross revenues | 13,757 | 16,244 | 15,390 |
| <i>APE (Group share)</i> | <i>1,540</i> | <i>2,099</i> | <i>1,922</i> |
| Investment margin | 487 | 704 | 858 |
| Fees & revenues | 1,595 | 1,792 | 1,632 |
| Net technical margin | (984) | 466 | 634 |
| Expenses | (1,433) | (1,647) | (1,725) |
| Amortization of VBI | (64) | (69) | (65) |
| Other | - | - | - |
| Underlying operating earnings before tax | (400) | 1,247 | 1,333 |
| Income tax expenses / benefits | 175 | (363) | (334) |
| Minority interests | - | (0) | (0) |
| Underlying earnings Group share | (225) | 883 | 1,000 |
| Net capital gains or losses attributable to shareholders net of income tax | (153) | (32) | 30 |
| Adjusted earnings Group share | (378) | 851 | 1,029 |
| Profit or loss on financial assets (under FV option) & derivatives | 83 | 40 | 0 |
| Exceptional operations (including discontinued operations) | 2 | (7) | - |
| Goodwill and other related intangibles impacts | (2) | (21) | (10) |
| Integration costs | - | - | - |
| Net income Group share | (296) | 863 | 1,020 |
| <i>Average exchange rate : 1.00 € = \$</i> | <i>1.4706</i> | <i>1.3699</i> | <i>1.2563</i> |

Gross revenues decreased by €2,486 million (-15%) to €13,757 million. On a comparable basis, gross revenues decreased by €1,448 million (-9%).

- *Variable Annuity* premiums (69% of gross revenues) decreased by 14% reflecting a slowdown of sales primarily related to challenging market conditions.
- *Life* premiums (18% of gross revenues) decreased by 6% primarily driven by a decrease in First Year premiums from anticipated declines in Fixed Universal Life product sales following price increases in 2007.
- *Mutual Funds gross revenues* (5% of gross revenues) decreased by 8%.

APE decreased by €560 million (-27%) to €1,540 million. On a comparable basis, APE decreased by €420 million (-20%) driven primarily by a 15% decrease in Variable Annuities, reflecting challenging market conditions, and an anticipated decrease in Life for Fixed Universal Life products following price increases in 2007.

Investment margin decreased by €217 million (-31%) to €487 million. On a constant exchange rate basis, investment margin decreased by €181 million (-26%). Investment income decreased by €170 million reflecting lower interest rates along with lower returns on alternative investments. Interest and bonus credited increased by €11 million reflecting adjustment for pre-demutualization participating annuity business.

Fees & revenues decreased by €198 million (-11%) to €1,595 million. On a constant exchange rate basis, fees & revenues decreased by €80 million (-4%), primarily due to fees earned on lower separate account asset levels resulting from market decline in 2008.

Net technical margin fell by €1,451 million (-311%) to €-984 million. On a constant exchange rate basis, net technical margin decreased by €1,523 million (-327%) mainly attributable to €1,519 million lower profits from guarantees associated with Variable Annuity products, mainly explained by underperformance of certain Separate Account funds versus hedge indices, the impact on fund balances of credit spread widening and higher equity market and interest rate volatility.

Expenses decreased by €214 million (-13%) to €-1,433 million. On a constant exchange rate basis, expenses decreased by €108 million (-7%) due to:

- Expenses, net of capitalization (including commissions and DAC capitalization) decreased by €29 million with a 5% decrease in general expenses primarily due to expense management initiatives and changes to employee benefit plans.
- DAC amortization decreased by €79 million, reflecting €690 million reactivity mainly to lower margins on Variable Annuity guarantees partly offset by €-610 million adjustment reflecting an unlocking and amortization reset to reflect a long-term average Separate Account return of 9%.

Amortization of VBI decreased by €4 million (-6%) to €-64 million. On a constant exchange rate basis, amortization of VBI increased by €1 million (+1%).

As a consequence, the **underlying cost income ratio** increased by 78.5 points to 136.5%.

Income tax expenses decreased by €539 million (-148%) to a benefit of €175 million. On a constant exchange rate basis, income tax expenses decreased by €552 million (-152%) principally due to the lower pre-tax underlying earnings.

As a consequence, **underlying earnings** decreased by €1,108 million (-125%) to €-225 million. On a constant exchange rate basis, underlying earnings decreased by €1,125 million (-127%).

Adjusted earnings decreased by €1,229 million (-144%) to €-378 million. On a constant exchange rate basis, adjusted earnings decreased by €1,257 million (-148%) primarily due to lower underlying earnings and higher losses on fixed income assets.

Net income decreased by €1,159 million (-134%) to €-296 million. On a constant exchange rate basis, net income decreased by €1,181 million (-137%) primarily due to the decrease in adjusted earnings partially offset by an increase in the mark to market of interest rate related derivatives due to lower underlying interest rates and the non recurrence of 2007 negative exceptional items.

Life & Savings operations - United Kingdom

| | (in Euro million) | | |
|--|-------------------|---------------|---------------|
| | 2008 | 2007 | 2006 |
| Gross revenues | 3,549 | 4,628 | 4,292 |
| <i>APE (Group share)</i> | <i>1,287</i> | <i>1,588</i> | <i>1,134</i> |
| Investment margin | 244 | 258 | 198 |
| Fees & revenues | 787 | 889 | 591 |
| Net technical margin | 46 | 90 | 160 |
| Expenses | (924) | (967) | (645) |
| Amortization of VBI | (97) | (46) | (7) |
| Other | - | - | - |
| Underlying operating earnings before tax | 57 | 224 | 297 |
| Income tax expenses / benefits | 65 | 31 | (142) |
| Minority interests | (0) | (0) | (0) |
| Underlying earnings Group share | 122 | 255 | 155 |
| Net capital gains or losses attributable to shareholders net of income tax | (71) | (26) | 10 |
| Adjusted earnings Group share | 50 | 229 | 165 |
| Profit or loss on financial assets (under FV option) & derivatives | 232 | 21 | (27) |
| Exceptional operations (including discontinued operations) | - | - | - |
| Goodwill and other related intangibles impacts | (14) | (11) | - |
| Integration costs | (12) | (23) | - |
| Net income Group share | 257 | 216 | 138 |
| <i>Average exchange rate : 1.00 € = £</i> | <i>0.7970</i> | <i>0.6845</i> | <i>0.6817</i> |

Gross revenues decreased by €1,079 million (-23%) to €3,549 million. On a comparable basis, gross revenues decreased by €495 million (-11%):

- Investment & Savings (79% of gross revenues):
 - Insurance Premiums (64% of gross revenues) decreased by 16% as a result of lower Onshore and Offshore bond premiums following recent tax changes and market turmoil.
 - Fees on Investment products (15% of gross revenues) reduced by 3%, mainly driven by adverse stock market conditions.
- Life Insurance Premiums (17% of gross revenues) increased by 1% due to strengthening of the AXA Protection Account brand and a strong direct proposition.
- Other revenues (4% of gross revenues) increased by 23% as a result of growth in brokerage revenues.

APE decreased by €301 million (-19%) to €1,287 million. On a comparable basis, APE decreased by €89 million (-6%) as a result of:

- 21% lower Onshore and Offshore bond premiums following recent tax changes and market turmoil.
- 14% lower Individual and Executive Pensions businesses following falls in the stock market leading to lower transfers and average values.
- 10% higher Corporate Pensions business due to the success of the new proposition leading to large corporate scheme deals.
- 19% higher Protection products sales due to strengthening of the AXA Protection Account brand and a strong direct proposition.

Investment margin decreased by €13 million (-5%) to €244 million. On a constant exchange rate basis, investment margin increased by €27 million (+10%) due to increased investment return on shareholder assets.

Fees & revenues decreased by €101 million (-11%) to €787 million. On a constant exchange rate basis, fees & revenues increased by €28 million. Excluding reclassifications offset in expenses (€-23 million) and technical margin (€+26 million), fees & revenues increased by €31 million (+3%) mainly due to:

- €62 million growth in the UK brokerage business recently re-launched.
- Partly offset by €31 million lower loadings on premiums and fees on account balances.

Net technical margin decreased by €44 million (-49%) to €46 million. On a constant exchange rate basis, net technical margin decreased by €37 million. Excluding the reclassification from fees and revenues (€-26 million), the net technical margin decreased by €63 million (-70%) mainly as a result of:

- €37 million additional provision for potential policyholder compensation payments in both Traditional life and old unit-linked life businesses
- €22 million non recurrence of favorable provision movements in 2007

Expenses decreased by €42 million (-4%) to €-924 million. On a constant exchange rate basis, expenses increased by €110 million. Excluding the reclassification from fees and revenues (€+23 million), expenses increased by €86 million (+9%) primarily due to:

- €57 million increase in project costs including significant strategic initiatives such as the wealth management wrap platform and Architas investment sub-advisory platform.
- €58 million linked to the expansion of the brokerage business.

Amortization of VBI increased by €50 million (+109%) to €-97 million. On a constant exchange rate basis, amortization of VBI increased by €66 million (+143%) due to the impact of 2008 market conditions.

As a result, the **underlying cost income ratio** increased by 12.8 points to 94.7%.

Income tax benefits increased by €34 million (+110%) to €65 million. On a constant exchange rate basis, income tax benefits increased by €45 million (+145%) as a result of higher release of tax provisions.

Underlying earnings decreased by €133 million (-52%) to €122 million. On a constant exchange rate basis, underlying earnings decreased by €113 million (-44%).

Adjusted earnings decreased by €179 million (-78%) to €50 million. On a constant exchange rate basis, adjusted earnings decreased by €170 million (-74%) as a result of lower underlying earnings and €73 million higher impairments mostly on equities and bonds partly offset by €15 million higher net realized gains.

Net income increased by €41 million (+19%) to €257 million. On a constant exchange rate basis, net income increased by €83 million (+38%). In addition to the change in adjusted earnings, net income included the following positive evolutions: €163 million in undiscounted tax adjustment on unrealized gains attributable to policyholders in unit-linked life fund⁵⁵, €42 million on fixed income derivatives and €48 million on foreign exchange.

⁵⁵ Undiscounted deferred tax provided on unit-linked assets while the unit-linked liability reflects the expected timing of the payment of future tax therefore using a discounted basis

Life & Savings operations – Japan

| | (in Euro million) | | |
|--|-------------------|--------------|--------------|
| | 2008 | 2007 | 2006 |
| Gross revenues | 4,628 | 5,116 | 5,027 |
| <i>APE (Group share)</i> | 482 | 567 | 651 |
| Investment margin | (1) | 3 | (0) |
| Fees & revenues | 1,013 | 992 | 931 |
| Net technical margin | 98 | 135 | 130 |
| Expenses | (619) | (641) | (604) |
| Amortization of VBI | (99) | (76) | (31) |
| Other | - | - | - |
| Underlying operating earnings before tax | 392 | 413 | 426 |
| Income tax expenses / benefits | (150) | (154) | (164) |
| Minority interests | (4) | (5) | (6) |
| Underlying earnings Group share | 238 | 254 | 256 |
| Net capital gains or losses attributable to shareholders net of income tax | 92 | 65 | 38 |
| Adjusted earnings Group share | 330 | 319 | 293 |
| Profit or loss on financial assets (under FV option) & derivatives | (478) | (96) | (37) |
| Exceptional operations (including discontinued operations) | - | - | - |
| Goodwill and other related intangibles impacts | - | - | - |
| Integration costs | (3) | (4) | - |
| Net income Group share | (151) | 219 | 256 |
| <i>Average exchange rate : 1.00 € = Yen</i> | 161.671 | 158.255 | 142.949 |

Gross Revenues decreased by €488 million (-10%) to €4,628 million. On a comparable basis and excluding (i) volatile group pension transfers (€63 million versus €46 million last year) and (ii) conversions including the non-recurring 1Q07 Medical Whole Life upgrade campaign (€55 million versus €142 million last year), revenues declined by €163 million (-3%).

- Life (43% of gross revenues): revenues decreased by €83 million (-4%) to €1,930 million mainly due to lower revenues from lower margin products not actively promoted (Endowment, Whole Life and Group) and lower Term products revenues due to a regulator review of the tax deductibility;
- Investment & Savings (31% of gross revenues): revenues decreased by €161 million (-10%) to €1,389 million mainly due to lower sales of variable annuity products following turbulent market conditions and heavier regulatory sales process;
- Health (26% of gross revenues): revenues increased by €81 million (+7%) to €1,193 million following strong Medical Whole Life, Medical Rider and Cancer product sales in recent years.

APE decreased by €85 million (-15%) to €482 million. On a comparable basis, APE decreased by €52 million (-10%) mainly driven by individual business which decreased by €46 million (-9%), notably:

- Life: APE decreased by €23 million (-11%) to €188 million mainly due to lower revenues from lower margin products not actively promoted (Endowment, Whole Life and Group) and lower Term products revenues due to a regulator review of the tax deductibility;
- Investments & Savings: APE decreased by €9 million (-10%) to €76 million mainly due to lower sales of variable annuity products following turbulent market conditions and heavier regulatory sales process;
- Health: APE decreased by €14 million (-6%) to €212 million due to strong sales of medical products in 2007 and to the bankruptcy of a large non-proprietary distributor in the last quarter of 2008.

Investment Margin decreased by €4 million to €-1 million, with €-101 million lower policyholders' credited interests following €-105 million lower investment income, mainly driven by lower dividends on alternative assets due to poor financial market conditions.

Fees & Revenues increased by €21 million (+2%) to €1,013 million. On a constant exchange rate basis, fees &

revenues increased by €43 million (+4%) due to in-force growth and improved business mix of Medical products.

Net technical margin decreased by €37 million (-27%) to €98 million. On a constant exchange rate basis, net technical margin decreased by €35 million (-26%) driven by:

- €+14 million higher surrender margin to €15 million mainly driven by the non-recurrence of 2007 old Medical Whole Life upgrade program (€+15 million);
- €-34 million lower mortality margin to €97 million due to less favorable experience;
- €-14 million lower margin on Variable Annuity guarantees.

Expenses decreased by €21 million (-3%) to €-619 million. On a constant exchange rate basis, expenses decreased by €8 million (-1%) mainly driven by lower administrative expenses.

VBI Amortization increased by €23 million (+30%) to €-99 million. On a constant exchange rate basis, VBI amortization increased by €25 million (+33%) driven by the impact of assumption changes, partially offset by the natural decline in VBI balance and the non recurring impact of 2007 old Medical Whole Life conversion campaign.

As a consequence, the **underlying cost income ratio** increased by 1.3 points to 64.7%.

Income tax expenses decreased by €5 million (-3%) to €-150 million. On a constant exchange rate basis, income tax expense decreased by €1 million (-1%) in line with taxable income.

Underlying earnings declined by €16 million (-6%) to €238 million, or declined by €11 million (-4%) on a constant exchange rate basis.

Adjusted earnings increased by €11 million (+3%) to €330 million or by €18 million (+6%) on a constant exchange rate basis, as the €11 million lower underlying earnings were offset by €29 million higher net realized capital gains (including €119 million higher credited interests being funded through adjusted earnings).

Net income decreased by €370 million to €-151 million. On a constant exchange rate basis, net income decreased by €373 million, reflecting mainly €+18 million higher adjusted earnings and the two following items:

- the impact of the widening of credit spreads (€-261 million);
- an exceptional adjustment of €-106 million. As a reminder, AXA Japan closes its books at the end of September. According to IFRS principles whereby the financial statements of the subsidiary shall be adjusted to reflect the effects of significant events that would have been recognized with a closing date aligned on the AXA Group, AXA Japan's 2008 accounts were adjusted with a provisional loss related to the activity from October to December 2008. This adjustment reflected mainly the impact of the further increase of credit spreads on the CDS and corporate bonds portfolio during this period.

Life & Savings operations – Germany

| | (in Euro million) | | |
|--|-------------------|--------------|--------------|
| | 2008 | 2007 | 2006 |
| Gross revenues | 6,233 | 6,201 | 3,681 |
| <i>APE (Group share)</i> | <i>468</i> | <i>457</i> | <i>287</i> |
| Investment margin | 104 | 139 | 96 |
| Fees & revenues | 221 | 229 | 127 |
| Net technical margin | (24) | 112 | 50 |
| Expenses | (187) | (136) | (92) |
| Amortization of VBI | (8) | (23) | (9) |
| Other | - | - | - |
| Underlying operating earnings before tax | 106 | 321 | 171 |
| Income tax expenses / benefits | (63) | (134) | (99) |
| Minority interests | (1) | (4) | (3) |
| Underlying earnings Group share | 43 | 182 | 69 |
| Net capital gains or losses attributable to shareholders net of income tax | (41) | (1) | 6 |
| Adjusted earnings Group share | 2 | 182 | 75 |
| Profit or loss on financial assets (under FV option) & derivatives | (59) | 3 | 6 |
| Exceptional operations (including discontinued operations) | (10) | - | - |
| Goodwill and other related intangibles impacts | - | - | - |
| Integration costs | (4) | (6) | - |
| Net income Group share | (70) | 179 | 81 |

Gross revenues increased by €32 million (+1%) to €6,233 million mainly due to Health (€+42 million) driven by premium adjustment and the impact of high new business in prior year. In Life, gross revenues decreased (€-10 million) as a result of higher maturities in endowment business and cancellations in group business, partly offset by Investment & Savings unit linked business especially from “Twinstar” (Variable Annuities with secondary guarantee) product range.

APE increased by €10 million (+2%) to €468 million. On a comparable basis (change in Group share due to the minority buyout and merger of health companies), APE remained stable mainly due to Riester step-up effect (increase in retirement premiums due to higher fiscal incentive for policyholders in 2008) of €+30 million, which was offset by lower endowment and annuity business in Life and decrease in Health business due to the 2007 Reform (waiting period for salaried employees to enter Private Health Insurance extended from one to three years).

Investment margin decreased by €35 million (-25%) to €104 million as higher income from fixed maturities and alternative investments was offset by higher policyholder participation.

Fees & revenues decreased by €8 million (-3%) to €221 million due to lower loadings on premiums in non unit-linked business (traditional Life business) segments partly offset by higher loadings on unit-linked business.

Net technical margin fell by €136 million (-121%) to €-24 million mainly due to significant negative result from variable annuity products’ guarantees due to extreme interest rate and equity volatility levels, as well as lower disability result in Life and higher claims paid in Health

Expenses increased by €51 million (+37%) to €-187 million due to lower expenses allocated to policyholders.

Amortization of VBI decreased by €15 million (-65%) to €-8 million due to the lower investment return experience.

As a result, the **underlying cost income ratio** increased by 31.5 points to 64.6%.

Income tax expenses decreased by €72 million (-53%) to €-63 million as a result of lower pre-tax income and tax rate in 2008 compared to prior year (32% compared to 40%), partly offset by lower non-recurring favorable tax impacts.

As a consequence, **underlying earnings** decreased by €139 million (-76%) to €43 million.

Adjusted earnings decreased by €179 million (-99%) to €2 million due to lower underlying earnings (€-139 million) and €-40 million higher net impairments and realized losses on equities and fixed maturities.

Net income decreased by €249 million (-139%) to €-70 million primarily driven by adjusted earnings evolution and €-48 million lower change in fair value of financial assets.

Life & Savings operations – Switzerland

| | (in Euro million) | | |
|--|-------------------|--------------|------------|
| | 2008 | 2007 | 2006 |
| Gross revenues | 4,495 | 4,133 | 141 |
| <i>APE (Group share) (a)</i> | 280 | 222 | - |
| Investment margin | 109 | 61 | 3 |
| Fees & revenues | 190 | 212 | 11 |
| Net technical margin | 145 | 137 | 2 |
| Expenses | (153) | (167) | (13) |
| Amortization of VBI | (11) | (29) | - |
| Other | - | - | - |
| Underlying operating earnings before tax | 281 | 214 | 3 |
| Income tax expenses / benefits | (63) | (49) | (0) |
| Minority interests | - | - | - |
| Underlying earnings Group share | 218 | 165 | 3 |
| Net capital gains or losses attributable to shareholders net of income tax | (245) | (15) | 4 |
| Adjusted earnings Group share | (27) | 149 | 7 |
| Profit or loss on financial assets (under FV option) & derivatives | (56) | (10) | - |
| Exceptional operations (including discontinued operations) | - | 7 | - |
| Goodwill and other related intangibles impacts | (5) | (5) | - |
| Integration costs | (5) | (7) | - |
| Net income Group share | (93) | 135 | 7 |
| Average exchange rate : 1.00 € = Swiss Franc | 1.5866 | 1.6420 | 1.6420 |

(a) AXA Switzerland was not in the scope of APE in 2006. Starting 2007, and as a result of Winterthur acquisition AXA Switzerland is in the scope of APE.

Gross revenues increased by €363 million (+9%) to €4,495 million. On a comparable basis, gross revenues increased by €215 million (+5%) to €4,482 million:

- *Group Life* (84% of gross revenues) increased by €228 million (+7%) to €3,779 million due to €+168 million in single premiums (+9%) and €+60 million in regular premiums (+4%).
- *Individual Life* (16% of gross revenues) decreased by €17 million (-2%) to €717 million driven by higher maturities on non unit-linked regular premium contracts and the drop in unit-linked single premiums (-21%) in a difficult financial market environment.

APE increased by €58 million (+26%) to €280 million. On a comparable basis, APE increased by €49 million (+22%):

- Group Life increased by €42 million (+26%) to €211 million resulting from successful and exceptional annual negotiations (€+75 million) partly offset by the non repeat of 2007 increase in “low margin” coinsurance business (€-33 million).
- Individual Life improved by €6 million (+11%) to €69 million resulting from the positive development of regular premiums both unit-linked (+22% or €+2 million) and non unit-linked (+10% or €+3 million), and the positive impact of mutual fund sales (€+1million) launched late in 2007.

Investment margin increased by €48 million (+79%) to €109 million. On a constant exchange rate basis, investment margin increased by €44 million (+73%) mainly due to less investment income allocated to policyholders.

Fees & revenues decreased by €21 million (-10%) to €190 million. On a constant exchange rate basis, fees & revenues decreased by €28 million (-13%) mainly due to Group Life (€-21 million) driven by more fees and revenues allocated to policyholders, and lower loadings on premiums due to tariff reduction.

Net technical margin increased by €8 million (+6%) to €145 million. On a constant exchange rate basis, net technical margin increased by €3 million (+2%).

Expenses decreased by €14 million (-9%) to €-153 million. On a constant exchange rate basis, expenses were down €20 million (-12%) mainly driven by the one-time positive impact of the change in own pension scheme (€17 million).

Amortization of VBI decreased by €18 million (-63%) to €-11 million. On a constant exchange rate basis, amortization of VBI decreased by €18 million (-64%) mainly attributable to Individual Life thanks to a positive unlocking effect.

As a consequence, the **underlying cost income ratio** improved by 11.0 points to 36.8%.

Income tax expenses increased by €13 million (+27%) to €-63 million. On a constant exchange rate basis, income tax expenses increased by €11 million (+23%).

Underlying earnings increased by €54 million (+33%) to €218 million. On a constant exchange rate basis, underlying earnings increased by €46 million (+28%).

Adjusted earnings decreased by €176 million (-118%) to €-27 million. On a constant exchange rate basis, adjusted earnings decreased by €175 million (-117%) resulting from higher capital losses and impairments (€-222 million) partly offset by the increase in underlying earnings (€+46 million).

Net income decreased by €228 million (-169%) to €-93 million. On a constant exchange rate basis, net income decreased by €225 million (-167%), mainly due to lower adjusted earnings (€-175 million), unfavorable change in fair value of alternative investments (€-36 million) and higher foreign currency losses (€-9 million).

Life & Savings operations – Belgium

| | (in Euro million) | | |
|--|-------------------|--------------|--------------|
| | 2008 | 2007 | 2006 |
| Gross revenues | 2,563 | 3,075 | 2,512 |
| <i>APE (Group share)</i> | 260 | 340 | 300 |
| Investment margin | 193 | 143 | 86 |
| Fees & revenues | 144 | 162 | 146 |
| Net technical margin | 65 | 57 | 56 |
| Expenses | (228) | (252) | (194) |
| Amortization of VBI | (6) | (3) | (7) |
| Other | - | - | - |
| Underlying operating earnings before tax | 167 | 107 | 87 |
| Income tax expenses / benefits | (30) | (17) | (22) |
| Minority interests | (0) | (0) | (0) |
| Underlying earnings Group share | 136 | 90 | 65 |
| Net capital gains or losses attributable to shareholders net of income tax | (474) | 206 | 255 |
| Adjusted earnings Group share | (338) | 297 | 320 |
| Profit or loss on financial assets (under FV option) & derivatives | (249) | (93) | (10) |
| Exceptional operations (including discontinued operations) | - | - | - |
| Goodwill and other related intangibles impacts | (2) | - | - |
| Integration costs | (10) | (13) | - |
| Net income Group share | (597) | 191 | 310 |

Gross revenues decreased by €512 million (-17%) to €2,563 million. On a comparable basis, gross revenues decreased by €513 million (-17%) to €2,559 million.

- *Individual Life and Savings revenues (76% of gross revenues)* decreased by 20% to €1,957 million driven by the decrease in unit-linked products (-55% to €194 million) partly due to the lower performance of the structured products. The non unit-linked products' revenues declined by 14% to €1,460 million mainly due to the fall in Crest products line. Traditional life products' revenues decreased by 3% to €303 million.
- *Group Life and Savings revenues (24% of gross revenues)* decreased by 3% to €606 million.

APE decreased by €80 million (-24%) to €260 million. On a comparable basis, APE decreased by €81 million (-24%) to €260 million due to the decrease in Individual Life sales (-28% to €222 million) for both unit-linked and non unit-linked products, partly offset by higher sales in Group life (+13% to €38 million).

Investment margin increased by €49 million (+35%) to €193 million as a result of higher fixed income revenues and lower average credited rates, including policyholder bonus, due to a change in product mix.

Fees & revenues decreased by €19 million (-11%) to €144 million mainly due to lower fees on unit-linked account balances (-34% to €14 million).

Net technical margin rose by €9 million (+15%) to €65 million mainly due to a more favorable mortality experience in 2008.

Expenses decreased by €24 million (-9%) to €-228 million due to a lower DAC amortization (€+14 million), a drop of overhead costs (€+7 million) and a decrease in commissions (€+2 million).

Amortization of VBI increased by €3 million (+102%) to €-6 million.

The **underlying cost income ratio** improved by 12.0 points to 58.4%.

Income tax expenses increased by €14 million (+84%) to €-30 million. Excluding the €26 million positive

contribution in 2007 resulting from the favorable court decision for insurance companies on RDT (“Revenus Définitivement Taxés”: tax exemption on 95% of dividends on equities), income tax expenses decreased by €12 million (-28%) as a result of new tax allocation between Life and P&C.

As a result, **underlying earnings** increased by €46 million (+51%) to €136 million.

Adjusted earnings decreased by €634 million (-214%) to €-338 million mainly due to a strong increase in equities impairments partly offset by the rise in underlying earnings.

Net income decreased by €788 million (-413%) to €-597 million mainly due to the drop of the adjusted earnings and to unfavorable change in fair value on fixed income mutual funds due to credit spread widening (€-197 million), partly offset by a positive change in fair value on derivatives (€+78 million).

Life & Savings operations – Mediterranean and Latin American Region

| | (in Euro million) | | |
|--|-------------------|--------------|--------------|
| | 2008 | 2007 | 2006 |
| Gross revenues | 4,822 | 1,924 | 1,476 |
| <i>APE (Group share)</i> | <i>406</i> | <i>206</i> | <i>143</i> |
| Investment margin | 254 | 91 | 73 |
| Fees & revenues | 266 | 172 | 108 |
| Net technical margin | 68 | 52 | 42 |
| Expenses | (363) | (205) | (129) |
| Amortization of VBI | (41) | (9) | (5) |
| Other | - | - | - |
| Underlying operating earnings before tax | 185 | 100 | 88 |
| Income tax expenses / benefits | (45) | (21) | (24) |
| Minority interests | (32) | (6) | (7) |
| Underlying earnings Group share | 108 | 73 | 57 |
| Net capital gains or losses attributable to shareholders net of income tax | (40) | 19 | 7 |
| Adjusted earnings Group share | 68 | 92 | 64 |
| Profit or loss on financial assets (under FV option) & derivatives | (12) | (0) | (0) |
| Exceptional operations (including discontinued operations) | - | - | - |
| Goodwill and other related intangibles impacts | (0) | (0) | - |
| Integration costs | (4) | (8) | - |
| Net income Group share | 52 | 84 | 63 |

The Mediterranean and Latin American Region includes the following changes in scope in 2008:

- AXA MPS consolidated as of 01/01/2008
- Mexico consolidated as of 01/07/08
- Turkey buyout of minority shareholders as of 01/07/08

For volume indicators, the comparable basis reflects 2008 scope.

Gross revenues increased by €2,898 million (+151%) to €4,822 million. On a comparable basis, gross revenues increased by €+181 million (+4%) mainly driven by traditional savings products in Spain (€+162 million, mainly short term products such as Flexiplus and Deposito Flexible) and by Accumulator sales in MPS (€167 million) partly offset by the lower contribution from Index Linked products (€-163 million) in Italy.

APE increased by €200 million (+97%) to €406 million. On a comparable basis, APE remained stable, as the increase in Spain (+21% or €+19 million), driven by traditional savings products, was offset by Italy (-16% or €-11 million) due to the lower contribution from Index Linked products.

Investment margin increased by €164 million to €254 million, of which €138 million from AXA MPS and Mexico. On a constant exchange rate basis and excluding AXA MPS and Mexico, investment margin increased by €27 million (+29%) mainly due to high equity dividends in Italy and higher income in Spain.

Fees & revenues increased by €95 million to €266 million, of which €93 million from AXA MPS and Mexico. On a constant exchange rate basis and excluding AXA MPS and Mexico, fees & revenues increased by €2 million (+1%).

Net technical margin increased by €17 million to €68 million of which €28 million from AXA MPS and Mexico. On a constant exchange rate basis and excluding AXA MPS and Mexico, net technical margin decreased by €10 million (-20%) mainly due to an exceptional provision in Italy.

Expenses increased by €158 million to €-363 million of which €159 million from AXA MPS and Mexico. On a constant exchange rate basis and excluding AXA MPS and Mexico, expenses remained stable mainly due to a change in expense allocation in Spain between the L&S and the P&C segments.

Amortization of VBI increased by €33 million to €-41 million, of which €31 million from AXA MPS and Mexico. On a constant exchange rate basis and excluding AXA MPS and Mexico, amortization of VBI increased by €2 million (+20%)

Underlying cost income ratio increased by 0.5 point to 68.7%. On a constant exchange rate basis and excluding AXA MPS and Mexico, the underlying cost income ratio decreased by 3.4 points to 64.9%.

Income tax expenses increased by €24 million to €-45 million, of which €16 million from AXA MPS and Mexico. On a constant exchange rate basis and excluding AXA MPS and Mexico, income tax expenses increased by €7 million (+35%) due to the higher pretax earnings and an exceptional deduction in Spain in 2007, partly offset by a tax rate decrease in some countries in 2008.

Minority interests increased by €26 million driven by AXA MPS, partly offset by minority shareholders' buyout in Turkey.

Underlying earnings increased by €35 million to €108 million of which €27 million from AXA MPS, Mexico and the buyout of minority shareholders in Turkey. On a constant exchange rate basis and excluding AXA MPS, Mexico and the buyout of minority shareholders in Turkey, underlying earnings increased by €8 million (+11%).

Adjusted earnings decreased by €24 million to €68 million of which €+4 million from AXA MPS, Mexico and the buyout of minority shareholders in Turkey. On a constant exchange rate basis and excluding AXA MPS, Mexico and the buyout of minority shareholders in Turkey, adjusted earnings decreased by €27 million (-30%) as the higher underlying earnings was more than offset by equity impairments.

Net income decreased by €32 million to €52 million of which €+2 million from AXA MPS, Mexico and the buyout of minority shareholders in Turkey. On a constant exchange rate basis and excluding AXA MPS, Mexico and the buyout of minority shareholders in Turkey, net income decreased by €33 million (-39%), driven principally by the lower level of adjusted earnings and negative change in fair value of mutual funds.

Life & Savings Operations - Other Countries

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

Consolidated Gross Revenues

(in Euro million)

| | 2008 | 2007 | 2006 Restated (b) | 2006 Published |
|--|--------------|--------------|----------------------|-------------------|
| Australia / New Zealand | 1,719 | 1,384 | 1,254 | 1,254 |
| Hong Kong | 1,126 | 1,257 | 1,041 | 1,041 |
| The Netherlands | - | - | - | 527 |
| Central and Eastern Europe | 467 | 423 | - | - |
| Other countries | 378 | 443 | 343 | 343 |
| Canada | 108 | 122 | 115 | 115 |
| Luxembourg | 60 | 64 | 48 | 48 |
| South East Asia and China (a) | 210 | 257 | 180 | 180 |
| TOTAL | 3,690 | 3,507 | 2,637 | 3,164 |
| Intercompany transactions | (2) | - | - | - |
| Contribution to consolidated gross revenues | 3,688 | 3,507 | 2,637 | 3,164 |

(a) South East Asia includes Indonesia, Thailand, Philippines and Singapore.

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

Underlying, Adjusted earnings and Net Income

(in Euro million)

| | 2008 | 2007 | 2006 Restated (b) | 2006 Published |
|--|------------|------------|----------------------|-------------------|
| Australia / New Zealand | 30 | 99 | 83 | 83 |
| Hong Kong | 133 | 126 | 111 | 111 |
| The Netherlands | - | - | - | 55 |
| Central and Eastern Europe | 7 | (0) | - | - |
| Other countries | 22 | 12 | 9 | 9 |
| Canada | 7 | 2 | 4 | 4 |
| Luxembourg | 5 | 4 | 5 | 5 |
| South East Asia and China (a) | 10 | 5 | (0) | (0) |
| UNDERLYING EARNINGS | 192 | 237 | 203 | 258 |
| Net realized capital gains or losses attributable to shareholders | (161) | 83 | 22 | 43 |
| ADJUSTED EARNINGS | 31 | 319 | 225 | 301 |
| Profit or loss on financial assets (under Fair Value option) & derivatives | 21 | (10) | 6 | 7 |
| Exceptional operations (including discontinued operations) | (21) | (0) | 74 | (3) |
| Goodwill and related intangibles impacts | (2) | (2) | - | - |
| Integration costs | - | (3) | - | - |
| NET INCOME | 29 | 304 | 304 | 304 |

(a) South East Asia includes Indonesia, Thailand, Philippines and Singapore.

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

AUSTRALIA AND NEW ZEALAND ⁵⁶

Gross revenues increased by €335 million (+24%) to €1,719 million. On a comparable basis, gross revenues increased by €390 million (+28%):

- *Gross written premiums and fees* (79% of gross revenues) increased by €423 million (+42%) to €1,353 million, mainly driven by significant wholesale single premiums in wealth management guaranteed savings products (within the life company) reflecting the recent investors trend to seek more conservative investments given market volatility;
- *Revenues from mutual fund and advice business* (21% of gross revenues) decreased by €34 million (-9%) to €366 million due to a decline in funds under management levels resulting from stock market decrease and lower Mutual Funds net sales which decreased by €2,423 million (-106%) to €-85m driven by both lower inflows and higher outflows.

APE decreased by €167 million (-31%) to €378 million. On a comparable basis, APE decreased by €156 million (-29%) mainly due to a drop in Mutual Fund and AllianceBernstein Joint Venture sales following negative market conditions in 2008 and the favorable legislation change in 2Q07 (peak in sales last year). These negative impacts were partially offset by the inclusion of some significant wholesale premiums (€+29 million) from institutional clients seeking more conservative investments, and by Accumulator product sales.

Underlying earnings decreased by €68 million (-69%) to €31 million. On a constant exchange rate basis, underlying earnings decreased by €66 million (-67%). On a 100% ownership basis, the evolution of underlying earnings was as follows:

- **Investment margin** decreased by €16 million (-56%) to €13 million. On a constant exchange rate basis, investment margin decreased by €16 million (-53%) due to lower returns and lower asset base.
- **Fees & revenues** decreased by €34 million (-5%) to €698 million. On a constant exchange rate basis, fees & revenues increased by €11 million (+2%) mainly due to the acquisition of the financial advisor Genesys. Excluding Genesys, fees & revenues decreased by €46 million (-6%) on a comparable basis mainly due to lower average funds under management driven by the 2008 stock market decrease.
- **Net technical margin** fell by €33 million to €-27 million. On a constant exchange rate basis, net technical margin decreased by €35 million driven by the negative impact from a drop in discount rates (€-21 million) and by less favorable claims experience (€-19 million).
- **Expenses** increased by €42 million (+8%) to €-585 million. On a constant exchange rate basis, expenses increased by €80 million (+15%) mainly due to the acquisition of Genesys, including advisers retention bonus and integration, together with restructuring costs for the A&NZ business. Excluding these, expenses decreased by €2 million (-0%) on a comparable basis.
- **Amortization of VBI** increased by €20 million (+113%) to €-37 million. On a constant exchange rate basis, amortization of VBI increased by €22 million (+127%) due to lower assets under management in the life company and the amortization of Genesys VBI.
- **Income tax expenses** decreased by €19 million (-82%) to €-4 million. On a constant exchange rate basis, income tax expenses decreased by €18 million (-81%) mainly due the decrease in pre-tax underlying earnings.

As a consequence, the **underlying cost income ratio** increased by 17.9 points to 91.0%.

Adjusted earnings decreased by €232 million (-143%) to €-70 million. On a constant exchange rate basis, adjusted earnings decreased by €236 million (-146%) due to lower underlying earnings and higher realized losses and impairments on equity.

⁵⁶ AXA interest in AXA Asia Pacific Group is 53.42% broken down into 53.15% direct interest holding and an additional 0.27% owned by the AAPH Executive plan trust.

Net income decreased by €232 million (-144%) to €-70 million. On a constant exchange rate basis, net income decreased by €237 million (-146%) in line with adjusted earnings, as the loss on the sale of the annuities portfolio (€-10 million) and a one-off tax expense (€-11 million) were offset by the positive change in value of interests rate swaps.

HONG-KONG⁵⁷

Gross revenues decreased by €131 million (-10%) to €1,126 million. On a comparable basis, gross revenues decreased by €45 million (-4%) mainly driven by a decrease in investment and savings inflows due to the investment market conditions (€-75 million), partially offset by an increase in individual life and health (€+17 million), group business (€+9 million) and bancassurance products (€+7 million).

APE decreased by €27 million (-20%) to €112 million. On a comparable basis, APE decreased by €18 million (-13%) due to a reduction in investment and savings products (€-25 million) in an uncertain market environment, partially offset by increased sales of life and health products (€+12 million).

Underlying earnings increased by €6 million (+5%) to €133 million. On a constant exchange rate basis, underlying earnings increased by €17 million (+13%), mainly driven by non-recurring impacts on DAC amortization (revised actuarial assumptions).

Adjusted earnings decreased by €54 million (-38%) to €89 million. On a constant exchange rate basis, adjusted earnings decreased by €47 million (-33%) reflecting significantly higher realized losses and impairments on equities, despite an improvement in underlying earnings.

Net income decreased by €44 million (-31%) to €97 million. On a constant exchange rate basis, net income decreased by €37 million (-26%), reflecting the lower adjusted earnings partly offset by the net positive impact of marked to market derivatives.

CENTRAL AND EASTERN EUROPE

Gross revenues increased by €45 million (+11%) to €467 million. On a comparable basis, gross revenues increased by €5 million (+1%) mainly driven by Czech Republic and Poland, partly offset by Hungary.

APE increased by €57 million (+53%) to €164 million. On a comparable basis, APE increased by €37 million (+33%) driven by Life & Savings (€91 million, +59%), mainly driven by short term Tax Wrapper product in Poland, and Pension Funds (€73 million, +10%). Main countries contributing to the growth were Poland (€90 million, +69%) and Czech Republic (€58 million, +18%).

Underlying earnings increased by €7 million to €7 million. On a constant exchange rate basis, underlying earnings increased by €6 million mainly due to an increase in investment margin partly offset by higher administrative expenses to develop distribution networks.

Overall, the **underlying cost income ratio** decreased by 6.0 points to 92.5%.

Adjusted earnings decreased by €8 million to €-6 million. On a constant exchange rate basis, adjusted earnings decreased by €7 million, as higher underlying earnings were more than offset by higher capital losses and impairments on equities and fixed income securities.

Net income decreased by €8 million to €-9 million. On a constant exchange rate basis, net income decreased by €7 million in line with adjusted earnings.

⁵⁷ AXA interest in AXA Asia Pacific Group is 53.42% broken down into 53.15% direct interest holding and an additional 0.27% owned by the AAPH Executive plan trust.

CANADA

Gross revenues decreased by €14 million (-12%) to €108 million. On a constant exchange rate basis, revenues decreased by €7 million (-6%) mainly reflecting the sale of AXA Services Financiers in 2007 partly offset by growth in Group Health (€+2 million).

Underlying earnings and adjusted earnings amounted to €7 million, an increase of €5 million (+247%) on a constant exchange rate basis, as 2007 was negatively impacted by a change in tax regulation.

SOUTH EAST ASIA AND CHINA

APE increased by €3 million (+5%) to €66 million. On a comparable basis, APE increased by €8 million (+12%) mainly due to Indonesia (+23%) and Thailand (+31%) following the strong growth in sales force and in the bancassurance channel.

Underlying earnings and adjusted earnings both increased by €6 million (+119%) on a constant exchange rate basis to €10 million as a result of higher premium income and funds under management, and higher profit margin due to product re-pricing in Indonesia and Thailand.

Net income increased by €12 million to €6 million as 2007 was negatively impacted by China's entry in the scope of consolidation (one-time recognition of past losses).

Property & Casualty Segment

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

Property and Casualty Segment (a)

| | (in Euro million) | | | |
|--|-------------------|-----------------|----------------------|-------------------|
| | 2008 | 2007 | 2006 Restated (b) | 2006 Published |
| Gross written premiums | 26,107 | 25,101 | 19,548 | 19,830 |
| Fees and revenues from investment contracts without participating feature | - | - | - | - |
| Revenues from insurance activities | 26,107 | 25,101 | 19,548 | 19,830 |
| Net revenues from banking activities | - | - | - | - |
| Revenues from other activities | 102 | 79 | 52 | 52 |
| TOTAL REVENUES | 26,209 | 25,180 | 19,600 | 19,882 |
| Change in unearned premium reserves net of unearned revenues and fees | (244) | (362) | (139) | (142) |
| Net investment result excluding financing expenses | 2,263 | 2,057 | 1,564 | 1,594 |
| Technical charges relating to insurance activities | (16,649) | (16,702) | (12,697) | (12,841) |
| Net result of reinsurance ceded | (780) | (599) | (629) | (632) |
| Bank operating expenses | - | - | - | - |
| Insurance acquisition expenses | (4,776) | (4,634) | (3,712) | (3,787) |
| Amortization of value of purchased life business in force | - | - | - | - |
| Administrative expenses | (2,602) | (2,274) | (1,817) | (1,851) |
| Valuation allowances on tangible assets | (1) | 4 | 11 | 11 |
| Other | (5) | (24) | (18) | (20) |
| Other operating income and expenses | (24,812) | (24,229) | (18,863) | (19,120) |
| INCOME FROM OPERATING ACTIVITIES, GROSS OF TAX EXPENSE | 3,415 | 2,647 | 2,162 | 2,213 |
| Net income from investments in affiliates and associates | 5 | 5 | 9 | 9 |
| Financing expenses | (10) | (13) | (8) | (8) |
| OPERATING INCOME GROSS OF TAX EXPENSE | 3,410 | 2,639 | 2,163 | 2,214 |
| Income tax expense | (967) | (726) | (704) | (719) |
| Minority interests in income or loss | (49) | (50) | (42) | (42) |
| UNDERLYING EARNINGS | 2,394 | 1,863 | 1,417 | 1,453 |
| Net realized capital gains or losses attributable to shareholders | (665) | 562 | 440 | 441 |
| ADJUSTED EARNINGS | 1,729 | 2,425 | 1,857 | 1,895 |
| Profit or loss on financial assets (under fair value option) & derivatives | (656) | 4 | 70 | 71 |
| Exceptional operations (including discontinued operations) | 1 | (2) | 51 | 13 |
| Goodwill and other related intangible impacts | (69) | (67) | (2) | (2) |
| Integration costs | (78) | (142) | - | - |
| NET INCOME | 926 | 2,218 | 1,977 | 1,977 |

(a) Before intercompany transactions.

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

Consolidated Gross Revenues

(in Euro million)

| | 2008 | 2007 | 2006 Restated (b) | 2006 Published |
|--|---------------|---------------|----------------------|-------------------|
| France | 5,633 | 5,377 | 5,219 | 5,219 |
| United Kingdom & Ireland | 4,471 | 5,111 | 4,742 | 4,742 |
| Germany | 3,554 | 3,531 | 2,759 | 2,759 |
| Belgium | 2,156 | 2,130 | 1,520 | 1,520 |
| Mediterranean & Latin American Region (a) | 6,437 | 5,298 | 3,831 | 3,831 |
| Switzerland | 2,024 | 1,981 | 95 | 95 |
| Other countries | 1,934 | 1,752 | 1,435 | 1,717 |
| TOTAL | 26,209 | 25,180 | 19,600 | 19,882 |
| Intercompany transactions | (170) | (164) | (89) | (89) |
| Contribution to consolidated gross revenues | 26,039 | 25,016 | 19,510 | 19,793 |

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

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

Underlying, Adjusted earnings and Net Income

(in Euro million)

| | 2008 | 2007 | 2006 Restated (b) | 2006 Published |
|--|--------------|--------------|----------------------|-------------------|
| France | 623 | 426 | 382 | 382 |
| United Kingdom & Ireland | 306 | 262 | 386 | 386 |
| Germany | 355 | 325 | 181 | 181 |
| Belgium | 181 | 216 | 147 | 147 |
| Mediterranean & Latin American Region (a) | 557 | 362 | 173 | 173 |
| Switzerland | 238 | 125 | 7 | 7 |
| Other countries | 134 | 147 | 140 | 176 |
| UNDERLYING EARNINGS | 2,394 | 1,863 | 1,417 | 1,453 |
| Net realized capital gains or losses attributable to shareholders | (665) | 562 | 440 | 441 |
| ADJUSTED EARNINGS | 1,729 | 2,425 | 1,857 | 1,895 |
| Profit or loss on financial assets (under Fair Value option) & derivatives | (656) | 4 | 70 | 71 |
| Exceptional operations (including discontinued operations) | 1 | (2) | 51 | 13 |
| Goodwill and related intangibles impacts | (69) | (67) | (2) | (2) |
| Integration costs | (78) | (142) | - | - |
| NET INCOME | 926 | 2,218 | 1,977 | 1,977 |

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

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

Property & Casualty Operations – France

(in Euro million)

| | 2008 | 2007 | 2006 |
|--|--------------|--------------|--------------|
| Gross revenues | 5,633 | 5,377 | 5,219 |
| Current accident year loss ratio (net) | 74.8% | 74.3% | 74.6% |
| All accident year loss ratio (net) | 68.5% | 72.7% | 73.5% |
| Net technical result | 1,777 | 1,467 | 1,390 |
| Expense ratio | 24.5% | 24.2% | 24.1% |
| Net investment result | 569 | 495 | 464 |
| Underlying operating earnings before tax | 962 | 657 | 592 |
| Income tax expenses / benefits | (339) | (230) | (210) |
| Net income from investments in affiliates and associates | - | - | - |
| Minority interests | (1) | (0) | (0) |
| Underlying earnings Group share | 623 | 426 | 382 |
| Net capital gains or losses attributable to shareholders net of income tax | (83) | 93 | 70 |
| Adjusted earnings Group share | 539 | 519 | 452 |
| Profit or loss on financial assets (under FV option) & derivatives | (290) | 34 | 64 |
| Exceptional operations (including discontinued operations) | (4) | - | - |
| Goodwill and other related intangibles impacts | - | - | - |
| Integration costs | - | - | - |
| Net income Group share | 245 | 553 | 515 |

Gross revenues increased by €257 million (+5%) to €5,633 million (or on a comparable basis +3%)

- Personal lines (60% of gross revenues) increased by 4% to €3,378 million mainly reflecting higher net inflows in Motor (+133k new contracts stemming from all distribution channels) in a competitive market, and positive net inflows (+71k) combined with an increase in the average premium in Household.
- Commercial lines (40% of gross revenues) were up by 3% to €2,217 million notably driven by a strong portfolio development in Construction (+9%), and a moderate growth in Property (+2%) and Liability (+3%) in a context of competitive markets.

Net Technical Result increased by €309 million (+21%) to €1,777 million:

- Current accident year loss ratio increased by 0.4 point to 74.8% reflecting (i) the shift towards longer tail business (Construction and Liability) and (ii) the increase in Personal Motor current accident year net loss ratio due to pressure on tariffs.
- Prior accident year net technical result improved by €269 million to €354 million reflecting a higher positive prior year reserves development (Motor, Liability, Construction).

As a consequence, the **all accident year loss ratio** decreased by 4.3 points to 68.5%.

Expense ratio rose by 0.3 point to 24.5% due to (i) change in business mix towards products with higher commission rates, (ii) IT and marketing investments, (iii) Nationale Suisse Assurance integration costs, and (iv) increase of taxes.

As a result, the **combined ratio** improved by 4.0 points to 93.0%.

Net investment result increased by €73 million (+15%) to €569 million mainly driven by higher bonds' revenues due to higher asset base and yield.

Income tax expenses were up by €109 million (+48%) to €-339 million in line with increase in taxable operating income.

As a result, **underlying earnings** increased by €196 million (+46%) to €623 million.

Adjusted earnings increased by €20 million (+4%) to €539 million as the underlying earnings increase was partly offset by higher impairment charges (€-143 million), mainly on equities and bonds, and lower realized capital gains (€-42 million).

Net income decreased by €308 million (-56%) to €245 million as (i) the evolution of adjusted earnings and (ii) a €35 million gain corresponding to the cancellation of deferred tax liabilities on assets overestimated in previous years, were more than offset by (iii) an unfavorable change in fair value (€-290 million) mainly on credit mutual funds due to the widening of corporate spreads, and (iv) a negative impact on foreign exchange for €-63 million.

Property & Casualty Operations - United Kingdom & Ireland

| | (in Euro million) | | |
|--|-------------------|--------------|--------------|
| | 2008 | 2007 | 2006 |
| Gross revenues | 4,471 | 5,111 | 4,742 |
| Current accident year loss ratio (net) | 69.3% | 71.8% | 63.6% |
| All accident year loss ratio (net) | 63.3% | 66.4% | 61.8% |
| Net technical result | 1,643 | 1,663 | 1,790 |
| Expense ratio | 35.7% | 35.0% | 34.7% |
| Net investment result | 352 | 380 | 338 |
| Underlying operating earnings before tax | 397 | 311 | 501 |
| Income tax expenses / benefits | (90) | (49) | (114) |
| Net income from investments in affiliates and associates | - | - | - |
| Minority interests | (1) | (1) | (0) |
| Underlying earnings Group share | 306 | 262 | 386 |
| Net capital gains or losses attributable to shareholders net of income tax | (227) | 71 | 75 |
| Adjusted earnings Group share | 78 | 333 | 461 |
| Profit or loss on financial assets (under FV option) & derivatives | 7 | (5) | (9) |
| Exceptional operations (including discontinued operations) | - | - | - |
| Goodwill and other related intangibles impacts | (24) | (17) | - |
| Integration costs | - | (4) | - |
| Net income Group share | 62 | 307 | 451 |
| Average exchange rate : 1.00 € = £ | 0.7970 | 0.684 | 0.682 |

Gross revenues decreased by €641 million (-13%) to €4,471 million or €4,420 million after intercompany eliminations. On a comparable basis, gross revenues increased by €2 million (+0%).

- *Personal lines* (52% of the gross revenues) were flat at €2,347 million with Motor up 2%, driven by +34% growth (or €66m) in Swiftcover direct business, offset by a decrease of intermediated business linked to price increase to address profitability, and competition driving down prices in Ireland. Non-Motor was flat with Property up 9% due to volume growth, and Health up 2% due to large corporate contracts, offset by creditor down 14% due to credit crunch.
- *Commercial lines* (45% of the gross revenues) were down 1% to €2,019 million. Motor decreased by 2%, principally reflecting rate reductions in Ireland to address the increased competition whereas the United Kingdom remained resilient. Non-Motor decreased by 1% with a deterioration across most business lines with the continued focus on profitability in a soft, competitive market, partly offset by 11% growth in Health.
- *Other lines* (1% of the gross revenues) were up 32% to €54 million mainly reflecting growth in brokerage business.

Net Technical Result decreased by €20 million (-1%) to €1,643 million. On a constant exchange rate basis, net technical result increased by €234 million (+14%)

- The current accident year loss ratio decreased by 2.8 points to 69.3%, as a result of the non recurring 2007 adverse weather events (-6.6 points) partly offset by a higher frequency of large claims in Commercial Property and increased injury claims and inflation in third party damage claims in UK Commercial motor.
- The all accident year loss ratio decreased by 3.3 points to 63.3% reflecting the improvement in current accident year loss ratio combined with +0.6 point favorable development in prior years reserves.

Expense ratio rose by 0.8 point to 35.7%. Acquisition costs ratio was down 0.7 point following the renegotiation of commission rates with delegated authority brokers in the UK partly offset by the redundancy scheme costs in Ireland. Administrative expenses ratio increased by 1.5 points due to higher IT costs (+0.7 point), growth through acquisition of a subsidiary in Health (+0.5 point) and the redundancy scheme costs in Ireland (+0.2 point).

As a result, the **combined ratio** improved by 2.5 points to 99.0%.

Net investment result decreased by €28 million (-7%) to €352 million. On a constant exchange rate basis, net investment result increased by €14 million (+4%) as a result of increased average returns (higher bond yields) offset by lower asset base reflecting the current market conditions and the payment of claims related to 2007 weather events.

Income tax expenses increased by €42 million (+86%) to €-90 million. On a constant exchange rate basis, income tax expenses increased by €55 million (+112%) as the reduction in UK corporation tax rate was more than offset by the improvement in pre-tax earnings and a €3 million decrease in positive tax one offs.

Underlying earnings increased by €44 million (+17%) to €306 million. On a constant exchange rate basis, underlying earnings increased by €84 million (+32%).

Adjusted earnings decreased by €254 million (-76%) to €78 million. On a constant exchange rate basis, adjusted earnings decreased by €243 million (-73%) as the underlying earnings increase was more than offset by €108 million lower realized capital gains and €220 million higher impairments on equities, bonds and real estate.

Net income decreased by €245 million (-80%) to €62 million. On a constant exchange rate basis, net income decreased by €237 million (-77%) reflecting adjusted earnings evolution.

Property & Casualty Operations – Germany

(in Euro million)

| | 2008 | 2007 | 2006 |
|--|--------------|--------------|--------------|
| Gross revenues | 3,554 | 3,531 | 2,759 |
| Current accident year loss ratio (net) | 76.2% | 78.7% | 74.2% |
| All accident year loss ratio (net) | 66.1% | 69.0% | 67.8% |
| Net technical result | 1,198 | 1,094 | 889 |
| Expense ratio | 32.1% | 29.3% | 30.3% |
| Net investment result | 394 | 339 | 239 |
| Underlying operating earnings before tax | 458 | 401 | 293 |
| Income tax expenses / benefits | (106) | (74) | (108) |
| Net income from investments in affiliates and associates | 5 | 5 | 4 |
| Minority interests | (2) | (7) | (7) |
| Underlying earnings Group share | 355 | 325 | 181 |
| Net capital gains or losses attributable to shareholders net of income tax | (57) | 92 | 77 |
| Adjusted earnings Group share | 298 | 416 | 259 |
| Profit or loss on financial assets (under FV option) & derivatives | (146) | 29 | 26 |
| Exceptional operations (including discontinued operations) | (1) | - | (3) |
| Goodwill and other related intangibles impacts | - | - | - |
| Integration costs | (25) | (36) | - |
| Net income Group share | 127 | 410 | 282 |

Gross revenues increased by €23 million (+1%) to €3,554 million. On a comparable basis, gross revenues increased by €24 million (+1%).

- Personal lines (63% of gross revenues) decreased by 1% as a result of contract losses in Motor in the context of market price pressure partly offset by growth in Property mainly due to the packaged product ‘Profischutz’ for professionals as well as tariff increases.
- Commercial lines (30% of gross revenues) were flat.
- Other lines (7% of gross revenues) increased by 18% due to a one off effect in the Assumed business.

Net Technical Result increased by €105 million (+10%) to €1,198 million.

- Current accident year loss ratio decreased by 2.5 points to 76.2% driven by a lower impact of natural events.
- All accident year loss ratio decreased by 2.8 points to 66.1% due to the improved current accident year loss ratio and a positive prior year reserve development.

Expense ratio rose by 2.8 points to 32.1%, primarily driven by non-recurring items in 2007 and 2008. In 2007, the expense ratio was positively impacted by the release of a bad debt provision, whereas in 2008 non-recurring items (such as pension costs) had a negative impact.

As a result, the **combined ratio** remained stable at 98.2%.

Net investment result rose by €55 million (+16%) to €394 million mainly due to higher income from fixed income as a result of new investment in bonds benefiting from higher spreads partly offset by lower dividends from equities.

Income tax expenses increased by €32 million (+44%) to €-106 million due to the improved net investment result and lower tax-free dividends as well as lower non recurring favorable tax impacts.

As a consequence, **Underlying earnings** increased by €30 million (+9%) to €355 million.

Adjusted earnings decreased by €118 million (-28%) to €298 million due to lower realized capital gains and higher

equity impairments partly mitigated by equity hedges.

Net income decreased by €283 million (-69%) to €127 million due to lower adjusted earnings and unfavorable change in fixed income assets fair value as well as negative foreign exchange impact.

Property & Casualty Operations – Belgium

| | (in Euro million) | | |
|--|-------------------|--------------|--------------|
| | 2008 | 2007 | 2006 |
| Gross revenues | 2,156 | 2,130 | 1,520 |
| Current accident year loss ratio (net) | 80.9% | 77.6% | 78.1% |
| All accident year loss ratio (net) | 69.0% | 67.5% | 66.0% |
| Net technical result | 669 | 693 | 512 |
| Expense ratio | 29.9% | 29.8% | 29.3% |
| Net investment result | 235 | 235 | 178 |
| Underlying operating earnings before tax | 255 | 290 | 245 |
| Income tax expenses / benefits | (75) | (73) | (98) |
| Net income from investments in affiliates and associates | - | - | - |
| Minority interests | (0) | (0) | (0) |
| Underlying earnings Group share | 181 | 216 | 147 |
| Net capital gains or losses attributable to shareholders net of income tax | (41) | 119 | 142 |
| Adjusted earnings Group share | 140 | 335 | 290 |
| Profit or loss on financial assets (under FV option) & derivatives | (133) | (29) | (6) |
| Exceptional operations (including discontinued operations) | - | - | - |
| Goodwill and other related intangibles impacts | (1) | - | - |
| Integration costs | (24) | (34) | - |
| Net income Group share | (17) | 272 | 283 |

Gross revenues increased by €26 million (+1%) to €2,156 million. On a comparable basis, gross revenues increased by €27 million (+1%) to €2,139 million.

- Personal Lines (62% of total revenues) were up 1% driven by Non Motor (+2%) mainly resulting from price increases partly offset by lower volume in Property
- Commercial Lines (38% of total revenues) were up 3% as a result of increases in all lines except in Property.

Net Technical Result decreased by €23 million (-3%) to €669 million:

- The current accident year loss ratio increased by 3.2 points to 80.9% mainly due to higher large claims (€+68 million) mainly in property, despite less natural events.
- All accident year loss ratio increased by 1.5 points to 69.0% reflecting the deterioration of the current accident year loss ratio partly offset by a higher prior years result (€+40 million) mainly in Workers' compensation.

Expense ratio increased by 0.1 point to 29.9% driven by higher administrative expenses.

As a result, the **combined ratio** increased by 1.6 points to 98.8%.

Underlying investment result remained stable at €235 million.

Income tax expenses increased by €1 million (+2%) to €-75 million mainly due to the non recurrence of a €10 million positive impact in 2007 resulting from the favorable court decision for insurance companies on RDT (Revenus Définitivement Taxés: tax exemption on 95% of dividends on equities) and a new tax allocation between Life and P&C.

Underlying earnings decreased by €35 million (-16%) to €181 million.

Adjusted earnings decreased by €195 million (-58%) to €140 million reflecting lower underlying earnings and higher equity impairments.

Net income decreased by €289 million (-106%) to €-17 million mainly reflecting lower adjusted earnings and unfavorable change in fixed income mutual funds fair value due to credit spread widening.

Property & Casualty Operations – Mediterranean and Latin American Region

| | (in Euro million) | | |
|--|-------------------|--------------|--------------|
| | 2008 | 2007 | 2006 |
| Gross revenues | 6,437 | 5,298 | 3,831 |
| Current accident year loss ratio (net) | 76.2% | 76.5% | 77.2% |
| All accident year loss ratio (net) | 68.5% | 72.1% | 74.8% |
| Net technical result | 1,979 | 1,453 | 941 |
| Expense ratio | 24.8% | 23.3% | 23.3% |
| Net investment result | 414 | 351 | 245 |
| Underlying operating earnings before tax | 833 | 591 | 314 |
| Income tax expenses / benefits | (235) | (195) | (106) |
| Net income from investments in affiliates and associates | - | - | - |
| Minority interests | (40) | (34) | (34) |
| Underlying earnings Group share | 557 | 362 | 173 |
| Net capital gains or losses attributable to shareholders net of income tax | (43) | 172 | 57 |
| Adjusted earnings Group share | 515 | 534 | 231 |
| Profit or loss on financial assets (under FV option) & derivatives | (37) | (16) | (1) |
| Exceptional operations (including discontinued operations) | 6 | (2) | - |
| Goodwill and other related intangibles impacts | (16) | (28) | - |
| Integration costs | (20) | (60) | - |
| Net income Group share | 447 | 428 | 230 |

The Mediterranean and Latin American Region includes the following changes in scope:

- AXA MPS consolidated as of 01/01/2008
- Mexico consolidated as of 01/07/08
- Gulf Region consolidated as of 01/01/2008
- Turkey buyout of minority shareholders as of 01/07/08

For volume indicators, the comparable basis reflects 2008 scope.

Gross revenues increased by €1,139 million (+22%) to €6,437 million, or €6,414 million after intercompany eliminations. On comparable basis, gross revenues increased by €391 million (+6%) mainly supported by the strong performance in the fast developing countries (Mexico +24%, Gulf Region +58%, Turkey +9% and Morocco +12%).

- Personal lines (65% of total revenues) were up 3% to €4,190 million due to (i) Motor up 2% driven by Turkey and Gulf Region, and (ii) Non-motor up 6% driven by Property (+6%, mainly in Spain), and Health (+5%, driven by a new successful segmentation in Mexico).
- Commercial lines (35% of total revenues) were up 12% to €2,221 million with (i) Motor up 9% mainly driven by Mexico (+26% due to both renewal and acquisitions of large contracts), partly offset by Spain (-9% due to economic slowdown), and (ii) Non-motor up 13% mostly due to the positive contribution from Health up 45% mainly driven by new corporate contracts issued in the Gulf Region and Mexico.

Net technical result increased by €525 million to €1,979 million of which €253 million from AXA MPS, Gulf Region and Mexico. On a constant exchange rate basis and excluding AXA MPS, Gulf Region and Mexico, net technical result increased by €282 million (+19%).

- The current accident year loss ratio decreased by 0.3 point to 76.2%. On a constant exchange rate basis and excluding AXA MPS, Gulf Region and Mexico, the current year loss ratio increased by 0.9 point to 77.4% mainly linked to motor business in Italy with higher impact from large claims.
- The all accident year loss ratio decreased by 3.4 points to 68.5%. On a constant exchange rate basis and excluding AXA MPS, Gulf Region and Mexico, the all accident year loss ratio decreased by 4.0 points to 68.0% thanks to a favorable prior year reserves development.

Expense ratio rose by 1.5 points to 24.8%. On a constant exchange rate basis and excluding AXA MPS, Gulf Region and Mexico, the expense ratio increased by 0.9 point to 24.2% driven by a change in expense allocation in Spain, IT costs and the launch of a direct channel in Italy.

As a result, the **combined ratio** improved by 1.9 points to 93.3%. On a constant exchange rate basis and excluding AXA MPS, Gulf Region and Mexico, the combined ratio decreased by 3.1 points to 92.2%.

Net investment result increased by €63 million to €414 million of which €47 million from AXA MPS, Gulf Region and Mexico. On a constant exchange rate basis and excluding AXA MPS, Gulf Region and Mexico, net investment result increased by €21 million (+6%) driven by higher bonds income (volume effect and spreads increase).

Income tax expenses increased by €41 million to €-235 million, of which €5 million from AXA MPS, Gulf Region and Mexico. On a constant exchange rate basis and excluding AXA MPS, Gulf Region and Mexico, income tax expenses increased by €36 million (+19%) due to higher pretax earnings partly compensated by a tax rate decrease in some countries.

Underlying earnings increased by €195 million to €557 million, of which €+34 million from AXA MPS, Gulf Region, Mexico and the buyout of minorities in Turkey. On a constant exchange rate basis and excluding AXA MPS, Gulf Region, Mexico and the buyout of minorities in Turkey, underlying earnings increased by €164 million (+45%).

Adjusted earnings decreased by €19 million to €515 million of which €+34 million from AXA MPS, Gulf Region, Mexico and the buyout of minorities in Turkey. On a constant exchange rate basis and excluding AXA MPS, Gulf Region, Mexico and the buyout of minorities in Turkey, adjusted earnings decreased by €49 million (-9%), as the increase in underlying earnings was offset by higher impairments on equities.

Net income increased by €19 million to €447 million of which €+50 million from AXA MPS, Gulf Region, Mexico and the buyout of minorities in Turkey. On a constant exchange rate basis and excluding AXA MPS, Gulf Region, Mexico and the buyout of minorities in Turkey, net income decreased by €27 million (-6%) as the lower adjusted earnings and the negative impact of change in fair value on mutual funds were partly offset by lower Winterthur integration costs (€43 million).

Property & Casualty Operations – Switzerland

| | (in Euro million) | | |
|--|-------------------|--------------|-----------|
| | 2008 | 2007 | 2006 |
| Gross revenues | 2,024 | 1,981 | 95 |
| Current accident year loss ratio (net) | 73.7% | 77.6% | 63.3% |
| All accident year loss ratio (net) | 69.1% | 75.2% | 72.2% |
| Net technical result | 627 | 490 | 27 |
| Expense ratio | 24.5% | 24.0% | 24.1% |
| Net investment result | 181 | 142 | 4 |
| Underlying operating earnings before tax | 311 | 159 | 8 |
| Income tax expenses / benefits | (70) | (33) | (1) |
| Net income from investments in affiliates and associates | - | - | - |
| Minority interests | (2) | (1) | - |
| Underlying earnings Group share | 238 | 125 | 7 |
| Net capital gains or losses attributable to shareholders net of income tax | (170) | (6) | 2 |
| Adjusted earnings Group share | 68 | 119 | 9 |
| Profit or loss on financial assets (under FV option) & derivatives | (52) | (10) | - |
| Exceptional operations (including discontinued operations) | - | (0) | - |
| Goodwill and other related intangibles impacts | (21) | (17) | - |
| Integration costs | (10) | (7) | - |
| Net income Group share | (14) | 84 | 9 |
| Average exchange rate : 1.00 € = Swiss Franc | 1.5866 | 1.642 | 1.572 |

Gross revenues increased by €43 million (+2%) to €2,024 million. On a comparable basis, gross revenues decreased by €-26 million (-1%):

- Personal lines (51% of gross revenues) improved by 1% to €1,053 million reflecting the strong positive net new contracts partly offset by tariff reduction in the context of a softening market.
- Commercial lines (49% of gross revenues) decreased by 4% to €992 million mainly driven by price pressure in Workers' compensation (-7%) and Health (-2%), partly offset by Motor (+7%).

Net technical result increased by €137 million (+28%) to €627 million. On a constant exchange rate basis, net technical result improved by €116 million (+24%):

- The current accident year loss ratio decreased by 3.9 points to 73.7% mainly driven by the non-recurrence of large losses due to flood and hail events in 2007.
- The all accident year net loss ratio decreased by 6.1 points to 69.1% reflecting the lower current year loss ratio and the increase in prior year results (€+44 million) mainly on long tail business lines.

Expense ratio increased by +0.6 point to 24.5% mainly driven by higher acquisition costs resulting from the change to an independent sales organization for exclusive agents partly offset by the positive €36 million one time impact of the change in own pension scheme.

As a consequence, the **combined ratio** improved by 5.5 points to 93.6%.

Net investment result improved by €39 million (+28%) to €181 million. On a constant exchange rate basis, net investment result increased by €33 million (+23%) driven by higher volume and higher investment return, mainly on loans and bonds.

Income tax expenses were up €36 million (+109%) to €-70 million. On a constant exchange rate basis, income tax expenses increased by €34 million (+102%) driven by higher pre-tax earnings.

Underlying earnings increased by €114 million (+91%) to €238 million. On a constant exchange rate basis, underlying earnings increased by €106 million (+85%).

Adjusted earnings decreased by €50 million (-42%) to €68 million. On a constant exchange rate basis, adjusted earnings decreased by €53 million (-44%) reflecting higher impairments (€-140 million) and realized capital losses (€-19 million) mainly on equities as a consequence of the drop in financial markets, partly offset by higher underlying earnings.

Net income decreased by €98 million (-117%) to €-14 million. On a constant exchange rate basis, net income decreased by €98 million (-117%) including change in fair value on mutual funds (€-28 million), and foreign currency impact and related derivatives (€-11 million).

Property & Casualty Operations - Other Countries

Consolidated Gross Revenues

(in Euro million)

| | 2008 | 2007 | 2006 Restated (b) | 2006 Published |
|--|--------------|--------------|----------------------|-------------------|
| Canada | 1,076 | 1,085 | 1,059 | 1,059 |
| The Netherlands | - | - | - | 282 |
| Others | 858 | 667 | 376 | 376 |
| South Korea | 326 | 203 | - | - |
| Japan | 195 | 167 | 158 | 158 |
| Asia (excluding Japan) (a) | 230 | 205 | 149 | 149 |
| Luxembourg | 88 | 80 | 69 | 69 |
| Central and Eastern Europe | 19 | 12 | - | - |
| TOTAL | 1,934 | 1,752 | 1,435 | 1,717 |
| Intercompany transactions | (9) | (9) | (4) | (4) |
| Contribution to consolidated gross revenues | 1,925 | 1,743 | 1,431 | 1,713 |

(a) Includes Hong Kong, Singapore and Malaysia (Malaysia was fully consolidated for the first time in 2007).

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

Underlying, Adjusted earnings and Net Income

(in Euro million)

| | 2008 | 2007 | 2006 Restated (b) | 2006 Published |
|--|------------|------------|----------------------|-------------------|
| Canada | 103 | 125 | 113 | 113 |
| The Netherlands | - | - | - | 36 |
| Others | 31 | 22 | 27 | 27 |
| South Korea | 4 | 3 | - | - |
| Japan | 6 | 0 | 1 | 1 |
| Asia (excluding Japan) (a) | 17 | 18 | 23 | 23 |
| Luxembourg | 13 | 12 | 9 | 9 |
| Central and Eastern Europe | (10) | (10) | (6) | (6) |
| UNDERLYING EARNINGS | 134 | 147 | 140 | 176 |
| Net realized capital gains or losses attributable to shareholders | (44) | 22 | 16 | 18 |
| ADJUSTED EARNINGS | 90 | 169 | 157 | 194 |
| Profit or loss on financial assets (under Fair Value option) & derivatives | (6) | 1 | (2) | (1) |
| Exceptional operations (including discontinued operations) | - | - | 54 | 16 |
| Goodwill and related intangibles impacts | (7) | (5) | (2) | (2) |
| Integration costs | - | (1) | - | - |
| NET INCOME | 77 | 164 | 206 | 206 |

(a) Includes Malaysia, Hong Kong and Singapore.

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

CANADA

Gross revenues amounted to €1,076 million. On a constant exchange rate basis, premiums increased by €59 million (+5%) as a result of (i) €88 million growth in premiums mainly reflecting an organic growth of 6% as well as portfolio transfers, partly offset by (ii) €-29 million resulting from the 24 month policies success in 2007 leading to less renewals in 2008.

The combined ratio increased by 3.7 points to 92.7% mainly driven by the bad weather conditions in 2008.

Underlying earnings amounted to €103 million. On a constant exchange rate basis, underlying earnings decreased by €15 million (-12%) due to the deterioration of the combined ratio.

Adjusted earnings decreased by €70 million on a constant exchange rate basis to €61 million reflecting €15 million lower underlying earnings, €32 million higher equity impairments and €23 million lower realized capital gains.

Net income decreased by €75 million on a constant exchange rate basis to €55 million mainly as a result of lower adjusted earnings and higher foreign exchange losses.

SOUTH KOREA

Kyobo Auto was acquired last year and contributed 6 months to 2007 earnings.

Gross revenues increased by €124 million (+61%) to €326 million. On a comparable basis, gross revenues increased by €38 million (+10%), driven by the growth of the Motor portfolio.

The combined ratio was 101.9%, including unfavourable reserve developments on previous years and the impact of productivity gains and costs savings.

Underlying earnings reached €4 million.

Adjusted earnings were in line with underlying earnings.

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

JAPAN

Gross revenues increased by €28 million (+17%) to €195 million. On a comparable basis, gross revenues increased by €17 million (+10%), thanks to higher volumes in Motor business.

The combined ratio improved by 3.8 points to 98.7%, notably owing to favorable reserve developments on prior years and the decrease in the expense ratio thanks to a positive volume effect.

Underlying earnings increased by €6 million, on both current and constant exchange rate bases, to €6 million driven by the improvement of the combined ratio.

Adjusted earnings increased by €8 million, on both current and constant exchange rate bases, to €8 million due to higher underlying earnings and realized capital gains.

Net income was in line with adjusted earnings.

ASIA (EXCLUDING JAPAN)

SINGAPORE

Gross revenues increased by €21 million (+23%) to €111 million. On a comparable basis, gross revenues increased by €22 million (+24%) mainly due to motor business. Other lines benefited from some regulatory changes.

The combined ratio improved by 1.6 points to 92.1% mainly arising from a better claims experience in Property and Workers' compensation.

Underlying earnings increased by €2 million (+22%) on constant exchange rate basis mainly due the combined ratio improvement.

Adjusted earnings and **net income** were stable at €10 million with higher underlying earnings and lower realized capital gains.

HONG KONG

Gross revenues decreased by €4 million (-7%) to €53 million. On a comparable basis, gross revenues were stable.

The **combined ratio** improved by 0.9 point, mainly attributable to the non-recurrence of 2007 large claims.

Underlying earnings were stable at €4 million on both current and constant exchange rate bases.

Adjusted Earnings decreased by €7 million due to lower equity realized gains.

Net income decreased by €8 million in line with adjusted earnings.

MALAYSIA

Gross revenues increased by €8 million (+14%) to €66 million. On a comparable basis, gross revenues increased by €10 million (+18%) mainly driven by the Motor business boosted by the strong car sales.

The **combined ratio** deteriorated by 11.0 points to 94.5% mainly due to unfavorable reserves development on prior years in Motor.

Underlying earnings decreased by €2 million to €3 million in line with the deterioration of the combined ratio.

Adjusted earnings and **net income** decreased by €4 million (-58%) to €3 million mainly due to lower underlying earnings and lower capital gains.

CENTRAL AND EASTERN EUROPE (POLAND)

Gross revenues increased by €7 million (+60%) to €19 million. On a comparable basis, gross revenues increased by 86% reflecting strong portfolio development in Motor (+56k new contracts).

Underlying earnings and **adjusted earnings** remained stable at €-10 million, as the improvement in technical and investment results were offset by higher expenses driven by strong development of this activity launched in 2006.

Net income decreased by €1 million to €-11 million.

International Insurance Segment

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

Consolidated Gross Revenues

(in Euro million)

| | 2008 | 2007 | 2006 |
|--|--------------|--------------|--------------|
| AXA Corporate Solutions Assurance | 1,970 | 1,823 | 1,697 |
| AXA Cessions | 51 | 69 | 57 |
| AXA Assistance | 870 | 809 | 702 |
| Other (a) | 89 | 1,002 | 1,355 |
| TOTAL | 2,980 | 3,703 | 3,811 |
| Intercompany transactions | (139) | (135) | (95) |
| Contribution to consolidated gross revenues | 2,841 | 3,568 | 3,716 |

(a) Including €-6 million in 2008 (€896 million in full year 2007 and €1,217 million in full year 2006) of business fronted by AXA RE and fully reinsured by Paris RE (fronting arrangement set in place in the context of the sale of AXA RE's business to Paris RE).

Underlying, Adjusted earnings and Net Income

(in Euro million)

| | 2008 | 2007 | 2006 |
|--|------------|------------|------------|
| AXA Corporate Solutions Assurance | 113 | 97 | 84 |
| AXA Cessions | 14 | 13 | 15 |
| AXA Assistance | 20 | 19 | 21 |
| Other (a) | 41 | 89 | 11 |
| UNDERLYING EARNINGS | 188 | 218 | 131 |
| Net realized capital gains or losses attributable to shareholders | (16) | 23 | 60 |
| ADJUSTED EARNINGS | 172 | 241 | 191 |
| Profit or loss on financial assets (under Fair Value option) & derivatives | (71) | (1) | (1) |
| Exceptional operations (including discontinued operations) | 1 | 3 | 66 |
| Goodwill and related intangibles impacts | - | - | (12) |
| Integration costs | - | - | - |
| NET INCOME | 103 | 243 | 244 |

(a) Including AXA RE and other non life run-off businesses managed by AXA Liabilities Managers and AXA RE Life.

AXA Corporate Solutions Assurance

| | (in Euro million) | | |
|--|-------------------|--------------|--------------|
| | 2008 | 2007 | 2006 |
| Gross revenues | 1,970 | 1,823 | 1,697 |
| Current accident year loss ratio (net) | 97.5% | 94.1% | 88.7% |
| All accident year loss ratio (net) | 88.2% | 87.8% | 87.3% |
| Net technical result | 227 | 220 | 207 |
| Expense ratio | 13.2% | 12.3% | 12.8% |
| Net investment result | 190 | 163 | 144 |
| Underlying operating earnings before tax | 163 | 161 | 144 |
| Income tax expenses / benefits | (48) | (63) | (59) |
| Net income from investments in affiliates and associates | - | - | - |
| Minority interests | (1) | (1) | (1) |
| Underlying earnings Group share | 113 | 97 | 84 |
| Net capital gains or losses attributable to shareholders net of income tax | (8) | 27 | 32 |
| Adjusted earnings Group share | 105 | 124 | 116 |
| Profit or loss on financial assets (under FV option) & derivatives | (77) | 1 | 1 |
| Exceptional operations (including discontinued operations) | - | - | - |
| Goodwill and other related intangibles impacts | - | - | - |
| Integration costs | - | - | - |
| Net income Group share | 27 | 125 | 117 |

Gross revenues increased by €147 million (+8%) to €1,970 million, or €1,954 million after intercompany eliminations. On a comparable basis, gross revenues increased by €111 million (+6%) driven by portfolio development and positive volume effect in Construction, Marine and Liability in a context of tough pricing environment.

Net technical result increased by €7 million (+3%) to €227 million.

- The current accident year net technical result decreased by €56 million to €45 million reflecting several large losses in Property (including an earthquake in China and floods in Australia). Current year loss ratio reached 97.5% (+3.4 points).
- The prior accident year net technical result increased by €64 million to €181 million due to positive reserve developments in most lines of business.

As a consequence, the **all accident year loss ratio** increased by 0.5 point to 88.2%.

Expense ratio increased by 0.9 point to 13.2% resulting from a change in business mix towards products with higher commission rate and the launch of new branches in Singapore, Hong Kong and Switzerland.

As a result, the **combined ratio** increased by 1.3 points to 101.4%.

Net investment result increased by €28 million (+17%) to €190 million mainly driven by higher bonds revenues due to higher asset base and yield.

Income tax expenses decreased by €15 million to €-48 million mainly reflecting the booking of deferred tax assets on prior year tax losses on foreign branches.

As a consequence, **underlying earnings** increased by €16 million (+17%) to €113 million. On a constant exchange rate basis, underlying earnings increased by €11 million (+11%).

Adjusted earnings decreased by €19 million (-16%) to €105 million. On a constant exchange rate basis, adjusted earnings decreased by €25 million (-20%) as the underlying earnings increase was more than offset by higher impairment charges in a context of adverse financial markets.

Net income decreased by €97 million (-78%) to €27 million. On a constant exchange rate basis, net income decreased by €103 million (-83%) driven by the adjusted earnings evolution combined with a €77 million negative change in fair value mainly on credit funds as a result of widening of corporate spreads. In 2008, the net change in fair value on assets included a corrective gain of €6 million corresponding to the cancellation of deferred tax liabilities overestimated in previous years.

AXA Cessions

Underlying earnings were flat at €14 million.

AXA Assistance

Gross revenues increased by €61 million (+8%) to €870 million, or €751 million after intercompany eliminations. On a comparable basis, gross revenues increased by €79 million (+11%) driven by a strong development in Healthcare and Travel activities.

Underlying earnings increased by €1 million (+7%) to €20 million.

Adjusted earnings and **Net income** decreased by €4 million to €16 million and €15 million, respectively, mainly driven by a €-3 million higher impairment charge.

Other international activities

Underlying earnings decreased by €47 million (-53%) to €41 million. On a constant exchange rate basis, underlying earnings decreased by €58 million (-65%) driven by higher losses on the Life run-off portfolio partly offset by higher results on the Non-Life run-off portfolios.

Adjusted earnings decreased by €46 million (-55%) to €38 million. On a constant exchange rate basis, adjusted earnings decreased by €57 million (-68%) in line with underlying earnings.

Net income decreased by €36 million (-43%) to €48 million. On a constant exchange rate basis, net income decreased by €46 million (-54%), driven by lower adjusted earnings and a negative change in fair value of consolidated funds partially offset by net realized and unrealized foreign exchange gains in non-life run off activities.

Asset Management Segment

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

Consolidated Gross Revenues

(in Euro million)

| | 2008 | 2007 | 2006 |
|--|--------------|--------------|--------------|
| AllianceBernstein | 2,627 | 3,277 | 3,102 |
| AXA Investment Managers | 1,716 | 2,006 | 1,679 |
| TOTAL | 4,342 | 5,283 | 4,781 |
| Intercompany transactions | (395) | (420) | (375) |
| Contribution to consolidated gross revenues | 3,947 | 4,863 | 4,406 |

Underlying, Adjusted earnings and Net Income

(in Euro million)

| | 2008 | 2007 | 2006 |
|--|------------|------------|------------|
| AllianceBernstein | 318 | 314 | 302 |
| AXA Investment Managers | 271 | 276 | 206 |
| UNDERLYING EARNINGS | 589 | 590 | 508 |
| Net realized capital gains or losses attributable to shareholders | - | 1 | 1 |
| ADJUSTED EARNINGS | 589 | 591 | 509 |
| Profit or loss on financial assets (under Fair Value option) & derivatives | (163) | 3 | 10 |
| Exceptional operations (including discontinued operations) | (22) | (2) | 91 |
| Goodwill and related intangibles impacts | (5) | - | - |
| Integration costs | (2) | (5) | - |
| NET INCOME | 396 | 588 | 610 |

AllianceBernstein

| | (in Euro million) | | |
|--|-------------------|--------------|--------------|
| | 2008 | 2007 | 2006 |
| Gross revenues | 2,627 | 3,277 | 3,102 |
| Net investment result | (125) | 2 | 23 |
| General expenses | (1,768) | (2,306) | (2,204) |
| Underlying operating earnings before tax | 734 | 973 | 921 |
| Income tax expenses / benefits | (151) | (313) | (260) |
| Minority interests | (265) | (346) | (359) |
| Underlying earnings Group share | 318 | 314 | 302 |
| Net capital gains or losses attributable to shareholders net of income tax | - | 1 | 1 |
| Adjusted earnings Group share | 318 | 315 | 303 |
| Profit or loss on financial assets (under FV option) & derivatives | (45) | - | - |
| Exceptional operations (including discontinued operations) | (22) | (2) | 91 |
| Goodwill and other related intangibles impacts | (5) | - | - |
| Integration costs | - | - | - |
| Net income Group share | 245 | 313 | 394 |
| Average exchange rate : 1.00 € = \$ | 1.4706 | 1.3699 | 1.2563 |

Assets under Management ("AUM") decreased by €212 billion from year end 2007 to €331 billion at the end of 2008, driven by market depreciation of €-200 billion and net outflows of €-30 billion (€-17 billion for Retail, €-10 billion for Institutional and €-3 billion for Private clients), partly offset by a €18 billion positive exchange rate impact.

Gross revenues decreased by €651 million (-20%) to €2,627 million, or €2,511 million after intercompany eliminations. On a comparable basis, gross revenues decreased by €435 million (-14%) driven by the decrease in management fees (-14%) in line with lower average assets under management, in performance fees (-85%), in distribution fees (-20%) and in others fees (-16%). Institutional Research Services continued to grow with fees up 11%.

Net Investment result decreased by €127 million to €-125 million. On a constant exchange rate basis, net investment result decreased by €136 million. Excluding the decrease in market value of incentive compensation investments (which is offset in general expenses), net investment result decreased by €13 million.

General expenses decreased by €538 million (-23%) to €-1,768 million. On a constant exchange rate basis, general expenses decreased by €408 million (-18%). Excluding the decrease in market value of incentive compensation investments, general expenses decreased by €285 million (-12%) due to (i) employee compensation expenses (-11% or €-151 million) from workforce reduction partly offset by €44 million of severance costs, (ii) promotion and servicing (-18% or €-89 million) from lower sales, and (iii) other expenses (-9% or €-41 million) notably due to favorable litigation outcome.

The **underlying cost income ratio** increased by 0.5 point to 67.3%. Excluding the decrease in market value of incentive compensation investments, the underlying cost income ratio increased by 2.0 points to 68.8%.

Income tax expenses decreased by €162 million (-52%) to €-151 million. On a constant exchange rate basis, income tax expenses decreased by €151 million (-48%) due to a deferred tax liability release on undistributed foreign earnings (€62 million) and the decline in pre-tax earnings.

Underlying earnings increased by €4 million (+1%) to €318 million. On a constant exchange rate basis, underlying earnings increased by €27 million (+9%).

Adjusted earnings increased by €3 million (+1%) to €318 million. On a constant exchange rate basis, adjusted earnings increased by €26 million (+8%) in line with underlying earnings.

Net income decreased by €68 million (-22%) to €245 million. On a constant exchange rate basis, net income decreased by €50 million (-16%) as a result of adjusted earning evolution, offset by €-49 million unfavorable change in fair value of assets and €-38 million of non-recurring tax impact from AllianceBernstein units transfer in 2008.

AXA Investment Managers (“AXA IM”)

| | (in Euro million) | | |
|--|-------------------|--------------|--------------|
| | 2008 | 2007 | 2006 |
| Gross revenues | 1,716 | 2,006 | 1,679 |
| Net investment result | 101 | 38 | 30 |
| General expenses | (1,375) | (1,577) | (1,330) |
| Underlying operating earnings before tax | 442 | 466 | 379 |
| Income tax expenses / benefits | (129) | (141) | (132) |
| Minority interests | (42) | (49) | (41) |
| Underlying earnings Group share | 271 | 276 | 206 |
| Net capital gains or losses attributable to shareholders net of income tax | - | - | - |
| Adjusted earnings Group share | 271 | 276 | 206 |
| Profit or loss on financial assets (under FV option) & derivatives | (118) | 3 | 10 |
| Exceptional operations (including discontinued operations) | - | - | - |
| Goodwill and other related intangibles impacts | - | - | - |
| Integration costs | (2) | (5) | - |
| Net income Group share | 151 | 274 | 216 |

Assets Under Management (“AUM”) decreased by €63 billion from year-end 2007 to €485 billion at the end of 2008 as €2 billion net new money (including €6 billion in Main funds, €3 billion in Institutional and €-7 billion in retail clients), and €17 billion change in scope (AXA MPS for €10 billion, AXA Korea for €9 billion, €2 billion Private Equity and Real estate due to further transfer of Winterthur assets and the Netherlands for €-4 billion), were more than offset by €-61 billion negative market impact due to the equity market turmoil, and €-20 billion unfavorable exchange rate impact.

Gross revenues decreased by €290 million (-14%) to €1,716 million, or €1,436 million after intercompany eliminations. On a comparable basis, gross revenues decreased by €236 million (-14%). Excluding distribution fees (retroceded to distributors), gross revenues decreased by €89 million (-6%) mainly due to an unfavorable client and product mix and the decrease in retail business, while average AUM remained stable.

Net investment result increased by €63 million (+167%) (both on current and constant exchange rate bases) to €101 million mainly due to a non recurring significant carried interest (€74 million) related to the performance of a real estate fund (offset in net income).

General expenses decreased by €203 million (-13%) to €1,375 million, or by €148 million (-9%) on a constant exchange rate basis. Excluding distribution fees (commissions paid to third party distributors), general expenses decreased by €32 million (-3%), mainly due to lower staff incentive.

Underlying cost income ratio improved by 0.4 point to 67.2%.

Income tax decreased by €12 million (-9%) to €129 million, or by €3 million (-2%) on a constant exchange rate basis, notably impacted by a €24 million positive non recurring tax impact from real estate funds.

Underlying and adjusted earnings decreased by €5 million (-2%) to €271 million. On a constant exchange rate basis, underlying and adjusted earnings increased by €8 million (+3%).

Net income decreased by €123 million (-45%) to €151 million. On a constant exchange rate basis, net income decreased by €108 million (-39%) mainly driven by negative change in fair value of Libor plus funds (€-74 million) as well as a negative impact coming from carried interest change in fair value of real estate funds (offset in net investment result).

Banking

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

Consolidated Gross Revenues

(in Euro million)

| | 2008 | 2007 | 2006 |
|--|------------|------------|------------|
| Axa Bank Europe (Belgium) | 224 | 246 | 306 |
| AXA Banque (France) | 118 | 85 | 59 |
| Others (a) | 59 | 43 | 32 |
| TOTAL | 401 | 374 | 397 |
| Intercompany transactions | 11 | (35) | (19) |
| Contribution to consolidated gross revenues | 412 | 339 | 377 |

(a) Includes notably German banks.

Underlying, Adjusted earnings and Net Income

(in Euro million)

| | 2008 | 2007 | 2006 |
|--|-------------|-----------|-----------|
| Axa Bank Europe (Belgium) | 69 | 40 | 21 |
| Axa Banque (France) | (12) | 0 | 0 |
| Others (a) | (24) | (4) | (3) |
| UNDERLYING EARNINGS | 33 | 36 | 18 |
| Net realized capital gains or losses attributable to shareholders | (64) | (5) | 8 |
| ADJUSTED EARNINGS | (32) | 31 | 26 |
| Profit or loss on financial assets (under Fair Value option) & derivatives | 4 | (0) | (15) |
| Exceptional operations (including discontinued operations) | - | - | (1) |
| Goodwill and related intangibles impacts | (0) | (0) | - |
| Integration costs | (10) | (25) | - |
| NET INCOME | (38) | 6 | 10 |

(a) Includes notably German banks.

AXA Bank Europe (Belgium)

Net banking revenues decreased by €22 million (-9%) to €224 million. On a comparable basis, net banking revenues increased by €33 million (+15%) to €249 million net of intercompany transactions mainly due to higher net interest and fee income, partly offset by a strong decrease of the net realized capital gains and impairments on equities and CDO's and the unfavorable change in fair value of mutual funds and other assets covered with a fair value hedge or natural hedge.

Underlying earnings increased by €29 million (+73%) to €69 million, mainly due to a higher interest margin (€+42 million) and higher realized capital gains on the bond portfolio (€+16 million) partly offset by an increase in expenses (€-17 million), following the expansion of the banking activity to other countries, lower reversal of provision on credit losses (€-6 million) resulting from the implementation of Basel II in 2007, and the impact of AXA Hedging Services (€-4 million).

Adjusted earnings decreased by €29 million (-82%) to €6 million, mainly due to a strong decrease in the net realized capital gains and impairments on equities and CDOs, as a consequence of the bad performance of stock markets and of the credit crisis, partly offset by the rise of the underlying earnings (€+29 million).

Net income decreased by €37 million (-298%) to €-24 million, driven by the decrease in adjusted earnings (€-29 million) and the unfavorable change in fair value of mutual funds and other assets covered with a fair value hedge or natural hedge (€-24 million), partly offset by lower Winterthur integration costs (€+15 million).

AXA Banque (France)

Net banking revenues increased by €33 million (+38%) to €118 million. On a comparable basis, net banking revenues increased by €20 million (+25%) to €102 million net of intercompany transactions mainly due to the favorable impact of the macro-hedge derivative on interest rates (€+36m) partly offset by the development cost of the commercial activity in savings and current accounts.

Underlying and adjusted earnings decreased by €-12 million to €-12 million resulting mainly from commercial development costs in saving and current accounts, combined with a slight fall on lending activity, in the context of the financials crisis.

Net income increased by €15 million to €11 million, reflecting a €27 million more favorable impact of the change in fair value of macro-hedge derivatives instruments (from €-4 million to €23 million).

Others

AXA BANK (GERMANY)

Net banking revenues decreased by €11 million (-45%) to €13 million. On a comparable basis, net banking revenues decreased by €8 million (-43%) due to a reduced commission margin mainly from lower fees on mutual fund business, credit business and higher commissions paid for new term accounts as well as a bond impairment.

Underlying earnings were stable at €-2 million due to a lower commission margin partly offset by lower expenses.

Adjusted earnings and **net income** decreased by €2 million to €-4 million due to a bond impairment.

Holdings and other companies

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

Underlying, Adjusted earnings and Net Income

(in Euro million)

| | 2008 | 2007 | 2006 Restated (b) | 2006 Published |
|--|--------------|--------------|-------------------|----------------|
| AXA | (437) | (224) | (219) | (219) |
| Other French holdings companies | (4) | (9) | 1 | 1 |
| Foreign holdings companies | (250) | (202) | (239) | (239) |
| Others (a) | 22 | 20 | 33 | 33 |
| UNDERLYING EARNINGS | (668) | (414) | (424) | (424) |
| Net realized capital gains or losses attributable to shareholders | 1,185 | 27 | 23 | 23 |
| ADJUSTED EARNINGS | 517 | (388) | (402) | (401) |
| Profit or loss on financial assets (under Fair Value option) & derivatives | (535) | (365) | (341) | (341) |
| Exceptional operations (including discontinued operations) | 0 | 483 | 31 | 30 |
| Goodwill and related intangibles impacts | 0 | 0 | 0 | 0 |
| Integration costs | 0 | (17) | 0 | 0 |
| NET INCOME | (19) | (287) | (712) | (712) |

(a) Includes notably CDOs and Real Estate entities.

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

AXA⁵⁸

Underlying earnings decreased by €213 million to €-437 million mainly due to:

- €-96 million higher financial charge notably related to external growth financing and internal refinancing,
- €-73 million lower profit on hedging of earnings denominated in foreign currencies,
- €-31 million higher tax expenses resulting from higher dividends received from consolidated foreign subsidiaries and losses on tax credits.

Adjusted earnings increased by €981 million to €769 million driven by €1,335 million increase in the mark-to-market (net of premiums) of equity derivatives set up to reduce the Group exposure to equities partly offset by underlying earnings evolution,

Net income increased by €980 million to €448 million mainly driven by adjusted earnings evolution. Net income in 2008 included:

- the mark-to-market of derivatives non eligible to hedge accounting booked in net income of which €-100 million on interest rate derivatives (versus €-218 million in 2007) and €-177 million on foreign exchange instruments, notably covering debt instruments accounted for in shareholder's equity (versus €-85 million in 2007),
- €-30 million related to the time value of equity derivatives.

⁵⁸ All the figures are after tax.

Other French holding companies

AXA France Assurance.

Underlying Earnings, Adjusted Earnings and Net Income increased by €12 million to €-11 million, mainly due to lower tax expenses (€+10 million) resulting from lower dividends (eliminated in consolidation) received from operational entities.

Other French holdings.

Underlying earnings decreased by €7 million. On a constant exchange rate basis, underlying earnings decreased by €6 million mainly due to lower investment income.

Adjusted earnings increased by €3 million. On a constant exchange rate basis, adjusted earnings increased by €4 million resulting from €10 million higher net realized capital gains.

Net income increased by €24 million. On a constant exchange rate basis, net income increased by €25 million mainly due to the change in fair value of derivatives non eligible to hedge accounting (a €8 million loss in 2008 versus a €30 million loss in 2007).

Foreign Holding Companies

AXA Financial Inc.

Underlying earnings increased by €15 million (+14%) to €-89 million. On a constant exchange rate basis, underlying earnings increased by €9 million (+9%) primarily due to lower interest expense on intercompany borrowings from AXA and the repayment of external senior debt, a decrease in share based compensation programs due to a decrease in the AXA share price and a decrease in income earned on interest rate and equity derivatives.

Adjusted earnings increased by €16 million (+15%) to €-89 million. On a constant exchange rate basis, adjusted earnings increased by €9 million (+8%) in line with underlying earnings.

Net income increased by €18 million (+16%) to €-94 million. On a constant exchange rate basis, net income increased by €12 million (+10%) due to the higher adjusted earnings and an increase in the mark-to-market of interest rate related derivatives due to lower underlying interest rates in 2008, partially offset by the non-recurrence of an after-tax gain in 2007 on the sale of Frontier Trust.

AXA Asia Pacific Holdings ⁵⁹

Underlying earnings increased by €5 million (+22%) to €-19 million. On a constant exchange rate basis, underlying earnings increased by €4 million (+17%) mainly due to lower expenses partly offset by higher interest charge.

Adjusted earnings increased by €4 million (+19%) to €-19 million. On a constant exchange rate basis, adjusted earnings increased by €3 million (+14%) in line with underlying earnings.

Net income decreased by €17 million (-99%) to €-35 million. On a constant exchange rate basis, net income decreased by €20 million (-112%) as the higher adjusted earnings were more than offset by the negative change in value of interests rate swaps and foreign exchange losses on USD group debt.

⁵⁹ AXA interest in AXA Asia Pacific Group is 53.42% broken down into 53.15% direct interest holding and an additional 0.27% owned by the AAPH Executive plan trust.

AXA UK Holdings

Underlying earnings decreased by €66 million to €-67 million. On a constant exchange rate basis, underlying earnings decreased by €77 million primarily resulting from the non recurrence of a 2007 €64 million release of a deferred tax provision held against proposed dividend payment from AXA Ireland to the UK.

Adjusted earnings decreased by €67 million to €-67 million. On a constant exchange rate basis, adjusted earnings decreased by €78 million in line with underlying earnings.

Net income decreased by €267 million on a constant exchange rate basis to €-252 million reflecting adjusted earnings evolution together with a €189 million exchange rate loss primarily arising from the revaluation of Euro-denominated inter-company loans.

German Holding companies

Underlying earnings increased by €34 million (+96%) to €-1 million mainly due to €11 million lower administrative expenses and €+36 million decline in interest expense, due to redemption of loans, partly offset by €-12 million lower investment income.

Adjusted earnings decreased by €5 million (-13%) to €-43 million driven by the improvement of underlying earnings (€+34 million) offset by higher impairments in equities (€- 41 million).

Net income decreased by €5 million (-13%) to €-44 million in line with adjusted earnings.

Belgium Holding companies

Underlying earnings were stable at €-16 million.

Adjusted earnings decreased by €5 million (-29%) to €-21 million due to an equity impairment.

Net income decreased by €483 million (-105%) to €-21 million due to the non-recurrence of the 2007 sale of the Dutch activities.

Other**CFP**

Underlying earnings, Adjusted earnings and Net income increased by €6 million (+31%) to €24 million reflecting positive 2008 events on the run off portfolio, allowing provision releases.

Outlook

As we look forward to 2009, a lower starting asset base will affect the Life & Savings and our Asset Management businesses, whereas the Property & Casualty and International Insurance businesses should continue to deliver solid underlying earnings.

Our confidence in the performance of AXA going forward is supported by the increasing engagement of our employees, the trust of our clients, the financial flexibility and diversification of the Group and our operating profit resilience through turbulent times.

Glossary

COMPARABLE BASIS FOR REVENUES AND ANNUALIZED PREMIUMS EQUIVALENT

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

ADJUSTED EARNINGS

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

- (i) Exceptional operations (primarily change in scope and discontinued operations)
- (ii) Integration and restructuring costs related to material newly acquired companies
- (iii) Goodwill and other related intangibles, and
- (iv) Profit or loss on financial assets accounted for under fair value option (excluding assets backing liabilities for which the financial risk is borne by the policyholder), foreign exchange impacts on assets and liabilities, and derivatives related to invested assets.

Derivatives related to invested assets:

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

UNDERLYING EARNINGS

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

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

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

EARNINGS PER SHARE

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

Diluted earnings per share (**diluted EPS**) represent AXA's consolidated earnings (including interest charges and foreign exchange impacts related to perpetual debts recorded through shareholders’ equity), divided by the weighted average number of outstanding ordinary shares, on a diluted basis (that is to say including the potential impact of all

outstanding dilutive stock options being exercised performance shares, and conversion of existing convertible debt into shares, provided that their impact is not anti-dilutive).

RETURN ON EQUITY (“ROE”)

The calculation is prepared with the following principles:

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

LIFE & SAVINGS MARGIN ANALYSIS

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

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

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

- For insurance contracts and investment contracts with Discretionary Participation Features (DPF):
 - (i) Gross premiums (net of deposits), fees and other revenues are allocated in the Margin Analysis based on the nature of the revenue between “Fees and Revenues” and “Net Technical Margin”.
 - (ii) Policyholders’ interest in participating contracts is reflected as a change in insurance benefits in the Statement of Income. In the Margin Analysis, it is allocated to the related margin, i.e. primarily “Investment Margin” and “Net Technical Margin”.
 - (iii) The “Investment margin” represents the net investment result in the Statement of Income and is adjusted to take into account the related policyholders’ participation (see above) as well as changes in specific reserves linked to invested assets’ returns and to exclude the fees on (or contractual charges included in) contracts with the financial risk borne by policyholders, which are included in “Fees and Revenues”.
 - (iv) Change in URR (Unearned Revenue Reserve – capitalization net of amortization) is presented in the line “Change in unearned premiums net of unearned revenues and fees” in the underlying Statement of Income, whereas it is located in the line “Fees & Revenues” in the Margin analysis.
- For investment contracts without DPF:
 - (i) Deposit accounting is applied. As a consequence, fees and charges related to these contracts are presented in the underlying Statement of Income within Gross consolidated revenues on a separate line, and in Margin analysis in the lines “Fees & Revenues” and “Net Technical margin”.
 - (ii) Change in UFR (Unearned Fees Reserve– capitalization net of amortization) is presented in the line “Change in unearned premiums net of unearned revenues & fees” in the underlying Statement of Income, whereas it is located in the line “Fees & Revenues” in the Margin analysis.

Underlying Investment margin includes the following items:

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

Underlying Fees & Revenues include:

- (i) Revenues derived from mutual fund sales (which are part of consolidated revenues),
- (ii) Loading charged to policyholders on premiums / deposits and fees on funds under management for separate account (unit-linked) business,
- (iii) Loading on (or contractual charges included in) premiums / deposits received on all non unit-linked product lines,
- (iv) Deferral income such as capitalization net of amortization of URR (Unearned Revenue Reserve) and UFR (Unearned Fee Reserve),
- (v) Other fee revenues, e.g., fees received on financial planning or sales of third party products.

Underlying Net Technical margin includes the following components:

- (i) Mortality/morbidity margin: The amount charged to the policyholder in respect of mortality/morbidity for the related period less benefits and claims. It is equal to the difference between income for assuming risk and the actual cost of benefits. This margin does not include the claims handling costs and change in claims handling cost reserves,
- (ii) Surrender margin: The difference between the benefit reserve and the surrender value paid to the policyholder in the event of early contract termination,
- (iii) GMxB (Variable Annuity guarantees) Active Financial Risk Management is the net result from GMxB lines corresponding to explicit charges related to these types of guarantees less cost of hedge. It also includes the unhedged business result,
- (iv) Policyholder bonuses if the policyholder participates in the risk margin,
- (v) Ceded reinsurance result,
- (vi) Other changes in insurance reserves are all the reserves strengthening or release coming from changes in valuation assumptions, additional reserves for mortality risk and other technical impacts such as premium deficiency.

Underlying Expenses are:

- (i) Acquisition expenses, including commissions and general expenses allocated to new business, related to insurance products as well as to other activities (e.g., mutual fund sales),
- (ii) Capitalization of acquisition expenses linked to new business: Deferred Acquisition Costs (DAC) and net rights to future management fees only for investment contracts without DPF,
- (iii) Amortization of acquisition expenses on current year and prior year new business, including the impact of interest capitalized: amortization charge for Deferred Acquisition Costs (DAC) and net rights to future management fees only for investment contracts without DPF,
- (iv) Administrative expenses,
- (v) Claims handling costs,
- (vi) Policyholder bonuses if the policyholder participates in the expenses of the company.

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

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

PROPERTY & CASUALTY (INCLUDING AXA CORPORATE SOLUTIONS ASSURANCE)

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

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

- (i) Earned premiums, gross of reinsurance,
- (ii) Claims charges, gross of reinsurance,
- (iii) Change in claims reserves, including claims handling costs reserves, gross of reinsurance, less the recurring interests credited to insurance annuity reserves,
- (iv) Claims handling costs,
- (v) Net result of ceded reinsurance.

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

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

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

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

Underlying expense ratio is the ratio of:

- (i) Underlying expenses (excluding claims handling costs), to
- (ii) Earned revenues, gross of reinsurance.

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

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

ASSET MANAGEMENT

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

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