

Winterthur Group

Results for the Year 2006 (U.S. GAAP)

In 2006, Winterthur Group reported net income of CHF 1,419 million, an increase of 33% compared to CHF 1,068 million in 2005. Total business volume amounted to CHF 31.1 billion, an increase of 11% compared to CHF 28.0 billion in 2005.

Financial Highlights Winterthur Group in CHF million, except where indicated	2006	2005	Change in % ⁷⁾
Total business volume ¹⁾	31,115	28,016	11
Income from continuing operations after taxes	1,067	1,062	0
Income from discontinued operations, net of tax	352	6	n.a.
Net income ²⁾	1,419	1,068	33
Life & Pensions			
Total business volume	22,173	19,270	15
APE ³⁾	1,841	1,563	18
Net income	690	674	2
Non-Life			
Gross premiums written	8,907	8,726	2
Net income	832	809	3
Combined ratio ⁴⁾ , in %	95.5%	96.0%	-0.5 pts
Other Activities ⁵⁾ - Net income	177	-123	n.a.
Corporate Center/Eliminations ⁶⁾ - Net income	-280	-292	-4
in CHF billion, as of			
Assets under management ⁸⁾	31.12.2006 164.8	31.12.2005 153.3	Change in % ⁷⁾ 8

In 2006, Winterthur Group reported a net income of CHF 1,419 million, an increase of 33%, or CHF 351 million, compared to 2005.

Income from continuing operations after tax was stable year-on-year with operational improvements in both Life & Pensions and Non-Life segments offset by an overall lower investment return. In January 2007, the signature of an agreement to sell Winterthur's US operations was announced and the transaction is expected to close in Q2 2007 after receipt of regulatory approval. In 2006, the US operations contributed net profits after tax of CHF 103m compared with CHF 158m in 2005. Excluding the US operations, Winterthur Group income from continuing operations after tax increased 7% year-on-year.

1) Gross premiums written from life and non-life products and policyholder deposits on investment-type products.

2) Net income amounts presented for Winterthur Group differ from amounts disclosed by Credit Suisse Group as discontinued operations relating to Winterthur Group, due to the elimination of intercompany transactions between Winterthur Group and Credit Suisse Group. Transactions between Winterthur Group and other Credit Suisse Group entities are not eliminated for the purposes of presenting Winterthur Group's stand-alone financial results, but are excluded from earnings as reported by Credit Suisse Group in the line item "Income/(loss) from discontinued operations, net of tax".

3) Represents a 100% share, 10% single premiums + annual premiums of new business

4) Claims and annuities incurred plus insurance underwriting, acquisition and administration expenses, expressed as a percentage of net premiums earned.

5) Closed portfolio management, reinsurance and income from disposals

6) Includes Corporate Center expenses, certain financing costs and eliminations

7) Current FX

8) Savings-related provisions for policyholders plus off-balance sheet assets for life, pension and health businesses and investment assets for non-life business.

Winterthur Group consolidated results

The following table presents the Group's consolidated statements of income:

Winterthur segment results

In CHF m, for the year 2006	Life & Pensions	Non-Life	Other Activities	Corporate Center / Eliminations	Winterthur Group
Total business volume	22,173	8,907	255	-220	31,115
Gross premiums written	13,103	8,907	217	-202	22,025
Net premiums earned	12,100	8,476	126	-4	20,699
Net revenues	19,644	9,395	262	-52	29,249
Total benefits, claims and dividends	17,193	5,866	311	-4	23,366
Total operating expenses	1,622	2,453	252	156	4,484
Income from continuing operations before taxes, minority interests and cumulative effects of accounting changes	829	1,076	-301	-205	1,399
Income from continuing operations after taxes, minority interests and cumulative effects of accounting changes	690	816	-159	-280	1,067
Net income/(loss)	690	832	177	-280	1,419

In 2006, total business volume showed an increase of 11% primarily driven by an increase in Life & Pensions' investment type products, which reported a 29% increase in policyholder deposits. Gross written premiums increased 5% of which Life & Pensions traditional insurance premiums + 7% and Non-Life +2%.

Net revenues declined by 1% or CHF 218 million on higher current income on investments offset by lower net realized gains or losses and a lower market appreciation for certain unit-linked products.

Total operating expenses were lower by 3% or CHF 131 million impacted by lower insurance underwriting and acquisition expenses and administration expenses.

The combined ratio for the Non-Life business decreased by 0.5 percentage points to 95.5%, driven by favourable claims development and the absence of large catastrophes, partially offset by reserve strengthening in certain markets.

Income from discontinued operations for 2006 totaled CHF 352 million, net of tax, mainly due to gains on the sales of parts of the Swiss health business and Winterthur Group's Canadian subsidiary, and a gain on the transfer of the Weavers London Market run-off portfolio.

Life & Pensions

Breakdown of total business volume by geography

In CHF m	Gross written premiums 2006	Policyholder deposits 2006	Total business volume 2006	Gross written premiums 2005	Policyholder deposits 2005	Total business volume 2005	Change TBV in % ¹⁾
Switzerland	6,704	664	7,368	6,332	688	7,020	5
Germany	4,058	142	4,200	3,785	136	3,921	7
United Kingdom	213	5,029	5,242	198	3,290	3,488	50
Spain	234	470	704	234	271	505	39
Belgium	292	358	650	285	576	861	-25
Netherlands	961	177	1,138	805	144	949	20
Central and Eastern Europe	90	1,044	1,134	88	877	965	18
Europe	1,790	7,078	8,868	1,610	5,158	6,767	31
Japan	404	566	970	343	552	896	8
Other Asia	147	620	767	151	515	666	15
Overseas	551	1,186	1,737	494	1,067	1,562	11
Life & Pensions	13,103	9,070	22,173	12,221	7,049	19,270	15

Breakdown of Annual Premium Equivalent (APE) by Geography

in CHF m	2006	2005	Change in % ¹⁾
Switzerland	303	285	6
Germany	282	283	0
United Kingdom	579	422	37
Spain	89	55	63
Belgium	22	41	-47
Netherlands	135	106	27
Central and Eastern Europe	150	128	18
Europe	975	752	30
Japan	188	165	14
Other Asia	93	78	19
Overseas	280	243	15
Life & Pensions	1,841	1,563	18

APE represents a 100% share

In 2006, total business volume in Life & Pensions grew 15% to CHF 22,173 million. This increase reflected a 7% growth in gross premiums written, totaling CHF 13,103 million, and a 29% growth in policyholder deposits, amounting to CHF 9,070 million. In Switzerland gross premiums written were up 6%, mainly driven by a higher premium volume in the group life business resulting from new contracts, transfers of vested benefits and additional contributions from plan beneficiaries. The growth in gross premiums written in Life & Pensions further reflected higher premium volumes at DBV-Winterthur's health business in Germany and the DBV life business in the Netherlands.

The growth in investment-type products was mainly driven by the UK, where policyholder deposits increased 53%. This increased investment inflow was particularly related to the UK tax law changes introduced in April 2006 that impacted treatment of pension contributions. In addition, the growth in policyholder deposits reflected a higher level of contributions from Spain, Central and Eastern Europe (CEE), Other Asia, the Netherlands and Japan. APE of the new business increased by 18% to CHF 1,841 million, driven notably by the growth in the UK, Spain, CEE and Asia. Partially offsetting this growth was lower Belgian new business in a declining 2006 Belgian market.

1) Current FX

Non-Life

Breakdown of gross written premiums by geography

in CHF m	2006	2005	Change in % ¹⁾
Switzerland	3,127	3,058	2
Germany	1,108	1,171	-5
Spain	1,737	1,609	8
Belgium	929	891	4
Netherlands	149	147	1
Central and Eastern Europe	0	0	0
Europe	2,815	2,647	6
USA	1,844	1,837	0
China	13	12	10
Overseas	1,857	1,850	0
Non-Life	8,907	8,726	2

In 2006, gross premiums written in Non-Life increased by 2% to CHF 8,907 million, compared to 2005. This increase reflected a 2% growth in Switzerland, as well as higher premium volumes in Spain and Belgium. The growth was partially offset by a decline in Germany, resulting from both selective re-underwriting in the non-motor business and market pressure on pricing in the motor business.

Cautionary statement regarding forward-looking information

Certain statements contained herein are forward-looking statements including, but not limited to, statements that are predictions of or indicate future events, trends, plans or objectives.

Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties and can be affected by numerous factors that could cause actual results and plans and objectives to differ materially from those expressed or implied in the forward looking statements (or from past results). These risks and uncertainties include, without limitation, the risk that the AXA and Winterthur Group's businesses will not be integrated successfully, the risk of future catastrophic events (including possible future pandemic and/or weather-related catastrophic events and/or terrorist related incidents), economic and market developments, legislative developments, regulatory actions or investigations, as well as litigations and/or other proceedings.

Please refer to AXA's Annual Report on Form 20-F and Document de Référence for the year ended December 31, 2005, for a description of certain important factors, risks and uncertainties that may affect AXA's and Winterthur Group's business.

Winterthur Group undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise.

1) Current FX