Half Year 2003
MANAGEMENT REPORT

Cautionary statements concerning forward-looking statements

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

Market conditions in first half-year 2003

Financial markets

Gloom was the operative word for the economy over the first half of 2003. Until April, this sentiment was maintained by the threat of war and then the war in Iraq. Consequently, the first six months of the year were disappointing in terms of growth (only 1.4% in average rate for the first-quarter GDP[1] growth in the US, and 0.8% year on year for euro zone GDP.

Fear of deflation has encouraged the main central banks to adopt accommodative monetary policies, and short-term rates are low across the board - lower than they were at the beginning of the year. The three-month rate in the US has fallen to 1.10%, versus 1.38% at year-end 2002 (2.08% versus 2.83% for the euro zone for the same periods).

This environment of abundant liquidity, which is rising faster than production, has generally helped the markets to resist.

BOND MARKETS

Yields on 10-year government bonds fell considerably over the first half: 3.57% at the end of June in the US, compared with 3.83% at year-end 2002; 3.80% versus 4.20% in the euro zone; and 0.67% versus 0.80% in Japan. Corporate and emerging market bond spreads narrowed significantly over the period - especially the latter, which played a starring role in the first half, narrowing the spread to US treasuries to 423bp, from 605 at the end of last year.

STOCK MARKETS

After a poor first quarter, the markets marginally rebounded just above last year-end level; in Paris, the CAC 40 was stable at +0.7% with its low level at 2,403 points (March 12, 2003), +2.3% for the UK (FTSE index), +5.9% for Japan (Nikkeï index). Measured in US dollar terms, S&P 500 increased by +11%.

EXCHANGE RATES

The strength of the euro (as well as the Australian and Canadian dollars) against the US dollar and Asian currencies was one of the major trends to have emerged from this first half year 2003. The US Dollar and the Yen lost respectively 8.2% and 9.4% against the euro.

June 30, 2003 operating highlights

Significant acquisitions and disposals

DISPOSALS

On 8 January 2003, AXA Asia Pacific Holdings completed the sale of its 50% interest in **Members' Equity** to Industry Funds Services. The proceeds from the sale were €53 million, with a net realized capital gain on sale of €11 million (group share).

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[1] *GDP: Gross Domestic Product*

In **Austria**, AXA Konzern had announced on December 18, 2002 the terms of its discussions with UNIQA Versicherung AG, the first Life and fourth Non-Life Insurer in this country, for the sale of its business. This transaction has been signed by both parties in December 2002, and finalized on June 4, 2003. The amount of the realized capital gain accounted for in 2003 is €40 million.

AXA Bank Belgium sold Auxifina, one of its subsidiary dealing with consumer credit, which client population was not consistent with its core business population. The realized capital gain was €+15 million gross and net group share.

OTHER

On December 16, 2002, a public offer was launched by Crédit Agricole S.A. on Crédit Lyonnais. AXA tendered its Crédit Lyonnais shares, and received in exchange cash and shares of Crédit Agricole S.A. The capital gain realized on the disposal of the Crédit Lyonnais shares amounted to €542 million, or €442 million net of tax group share.

Capital and financing operations

FINANCING OPERATIONS

Issuance of U.S.$500 million undated subordinated callable fixed rate notes

On May 7, 2003 AXA issued U.S.$500 million of undated subordinated callable fixed rate notes under its existing €3.0 billion Euro Medium Term Note program. The notes were issued at an issue price of 100% and bear interest at the rate of 7.10% per annum, payable quarterly in arrear. The Company may, at its option and in certain circumstances redeem the notes, at par on or after November 7, 2008 or prior to this date in the event of certain tax or regulatory events. The proceeds of the issue will be primarily used to refinance existing dated subordinated bonds.

Events subsequent to June 30, 2003

On July 1, AXA Germany sold its stake in KölnischeRückversicherung to General Re. This agreement ends a fruitful period of collaboration with General Re in Germany, which lasted more than 8 years through a joint venture agreement and is in line with AXA Germany's strategy to focus on its core business.

Consolidated Operating results

Consolidated gross revenues

Consolidated gross revenues [(a)]				
(in euro millions)	Period ended June 30, 2003	2002	Change on a comparable basis [(b)]	FY 2002
Life & Savings	23,682	25,112	7.7%	48,586
Property & Casualty	9,316	8,826	3.7%	15,948
International Insurance	2,650	3,828	-13.8%	5,762
Asset Management	1,379	1,873	-12.3%	3,411
Other Financial Services	426	503	-19.5%	1,020
TOTAL	**37,454**	**40,142**	**3.5%**	**74,727**

(a) Net of intercompany transactions.
(b) Percentages are on constant methodology, constant exchange rates, constant structural basis ("constant scope").

Consolidated gross revenues for the six-months ending June 30, 2003 were €37.5 billion, down -6.7% from the same period in 2002, on a current basis. They were negatively impacted by:

- The **strong appreciation of the euro** against other currencies (on a constant exchange rate basis, revenues should be €+3,237 million higher, and the revenues growth +8.1% better).
- The loss of €812 million in revenues[3] resulting from the sale of AXA Austria, AXA Hungary and AXA Australia Health and from International Insurance businesses in run-off in the United States.

On a comparable basis, consolidated gross revenues increased by **+3.5%.**

Life & Savings revenues (63% of total) were significantly higher than in 2002 (+7.7%), as a result of a sustained performance in the United States, Japan, and Belgium. **US** revenues were up +34.4%, driven by the very strong sales of the Variable Annuity Accumulator Series product launched in April 2002. **Japan** revenues showed a +20.9% growth, following large transfers of reserves on Group pension portfolio, and **Belgium** a +32.7% increase due to the success of Non-Unit linked products, supported by guaranteed interest rates products and a non-recurring single premium contract of €103 million. These strong performances were partly offset by lower revenues in the **United Kingdom** (-26.8%), where AXA decided to withdraw from the "With-Profit" bonds market in July 2002, and in Spain (-61.9%), since 2002 revenues had benefited from large Group single contracts relative to pension funds outsourcing.
Gross written premiums for **Property & Casualty** (25% of total) also increased (+3.7%), with good performance in all major countries, and especially in France (+4.1%), Belgium (+4%), and the United Kingdom (+3.3%). This trend was mainly driven by rates increases and positive net portfolio inflows (personal lines) in France, Germany and Belgium despite stricter underwriting policy.

International Insurance revenues (7% of total) were down -13.8% pulled by **AXA RE** for which the -23.6% decrease reflected (i) the entity's stringent underwriting policy aiming at reducing the portfolio and focusing on the P&C portfolio on the highest profitable lines of business, and (ii) a 2002 non-recurring revision on prior year premiums (€+271 million). **AXA Corporate Solutions Assurance** also showed a -1.5% decrease, mainly stemming from the voluntary lower exposure on the Constructions portfolio in France and a decrease in Property line following the reshuffling of the UK portfolio, only partly offset by rates increases in main lines of business.

[3] *H1 2002 revenues for the activities quoted.*

Fees and other revenues in **Asset Management** companies (4% of total) decreased by -12.3%, in both **Alliance Capita**l (-12.7%) impacted by lower distribution and advisory fees, and **AXA Investment Managers** (-10.4%) as management and performance decreased, in the context of continuous adverse financial markets compared to June 2002 level. Despite these unfavorable effects, Group **net new money** amounted to positive €11.9 billion, up +7% compared to June 2002.

Other Financial Services revenues (1% of total) were down -19.5%, pulled down by AXA Bank Belgium (-22.4%), where the higher volume of mortgage loans could not offset lower revenues on savings accounts due to strong competition and lower long-term interest rates.

Consolidated adjusted earnings and net income

Adjusted earnings & Net income (Group Share)

(in euro millions)	Period ended June 30, 2003	2002	FY 2002
Gross written premiums	35,390	37,452	69,723
Bank revenues	418	498	1,012
Fees, commissions and other revenues	1,647	2,191	3,992
Gross revenues	**37,454**	**40,142**	**74,727**
Change in unearned premium reserves	(1,559)	(2,293)	(382)
Net investment result [b]	11,489	(5,274)	(9,229)
Total revenues	**47,383**	**32,575**	**65,116**
Insurance benefits and claims [b]	(39,385)	(22,685)	(47,922)
Reinsurance ceded, net	(461)	(546)	(523)
Insurance acquisition expenses	(2,756)	(2,959)	(5,891)
Bank operating expenses	(270)	(322)	(600)
Administrative expenses	(3,589)	(4,194)	(8,098)
Operating Income	**921**	**1,870**	**2,081**
Income tax expense	(452)	(460)	(357)
Equity in income (loss) of unconsolidated entities	52	(25)	23
Minority interests	(159)	(239)	(390)
ADJUSTED EARNINGS [a]	**363**	**1,146**	**1,357**
Impact of exceptional operations	137	-	235
Goodwill amortization (group share)	(290)	(309)	(643)
NET INCOME	**209**	**837**	**949**

(a) Adjusted Earnings represents AXA's consolidated net income, before goodwill amortization and exceptional operations. Adjusted Earnings is a non-GAAP measure, which management believes provides a meaningful understanding of the results. It should be noted that "Adjusted Earnings" as defined may not be comparable with similarly-titled measures reported by other companies as it is not defined under either French GAAP or U.S. GAAP.

(b) For the periods ended June 30, 2003, June 30, 2002 and December 31, 2002, the change in fair value of separate accounts had impacted the net investment result for respectively Euro +6,141 million, Euro -10,472 million and Euro -17,576 million and benefits and claims respectively.

The **Net Income Group Share** for the first six-months of 2003 was €+209 million, a €-628 million decrease compared to June 2002 level.

The June 2003 Net Income Group share included €137 million of **exceptional operations** relating to:

- Capital gains realized on the sales of the Austrian and Hungarian subsidiaries (€+40 million), Auxifina in AXA Bank Belgium (€+15 million), and Members Equity in Australia (€+11 million), and

- a €+71 million non-recurring profit (net of goodwill effect) following a review of tax positions related to periods prior to the acquisition of 'The Equitable Inc.' by AXA. The comprehensive deferred tax review impact was partly compensated by an exceptional amortization of the goodwill (recorded in 2000 when acquiring the minority interest of AXA Financial) for €-108 million.

Goodwill amortization Group share decreased by €-19 million, stable on a constant exchange rate basis.

Adjusted earnings reached €363 million, a €-783 million decrease compared to June 2002. This decrease in the level of adjusted earnings was mainly the result of the deterioration of net capital gains and losses attributable to shareholders (€-935 million).

At €-722 million, **net capital gains and losses attributable to shareholders** were lower by €-935 million as compared to June 2002. Reflecting the application of CNC[4] regulation in the context of the low recovery of financial markets while still volatile during the first six months of 2003, and adverse credit risk conditions, additional valuation allowances were booked on equity securities and mutual funds for €-1,106 million net group share (€-881 million compared to June 2002) and on bonds for €-111 million (€-64 million compared to June 2002). Furthermore, an allowance on deferred tax asset related to prior year realized losses was recorded for €-109 million. These items were partly offset by a higher level of net realized capital gains (€+119 million), including €+442 million related to the exchange of *Crédit Lyonnais* shares for Crédit Agricole SA shares.

In June 2003, no further costs attached to the **September 11th 2001 terrorist attacks** were accounted for compared to a €-89 million charge in June 2002.

Adjusted earnings & Net income (Group Share)

	Period ended June 30,		FY
(in euro millions)	**2003**	**2002**	**2002**
Life & Savings	197	846	1,367
Property & Casualty	151	278	93
International Insurance	42	(42)	(149)
Asset Management	106	148	258
Other Financial Services	113	47	133
Holding companies	(245)	(131)	(344)
ADJUSTED EARNINGS (a)	**363**	**1,146**	**1,357**
Impact of exceptional operations	137	-	235
Goodwill amortization (group share)	(290)	(309)	(643)
NET INCOME	**209**	**837**	**949**

(a) Adjusted Earnings represents AXA's consolidated net income, before goodwill amortization and exceptional operations. Adjusted Earnings is a non-GAAP measure, which management believes provides a meaningful understanding of the results. It should be noted that "Adjusted Earnings" as defined may not be comparable with similarly-titled measures reported by other companies as it is not defined under either French GAAP or U.S. GAAP.

Life & Savings.

At €197 million, **adjusted earnings** were lower by €-650 million compared to June 2002. Japan's contribution to this amount was €-325 million, down by €-311 million compared to June 2002.

This €-650 million decrease was partly linked to the €-442 million deterioration of net capital gains and losses attributable to shareholders (of which €-524 million linked to valuation allowances, €-109 million linked to an additional allowance on deferred tax asset related to prior year realized losses and

[4] CNC : "Conseil National de la Comptabilité", the French accounting regulator

€+191 higher realized capital gains of which €+142 million on Crédit Lyonnais shares). Excluding net capital gains and losses attributable to shareholders, **underlying earnings** decreased by €-208 million to €680 million or €-86 million on a comparable basis[5] mainly due to Japan (€-79 million), the United Kingdom (€-77 million), partly offset by improvements in other entities (€+70 million).

Property & Casualty.

The Group **combined ratio** improved by 2.8 points to 101.8%, on a comparable basis[6]. This improvement was the result of a better operational performance in most countries following both technical improvement and lower expenses, inducing improved **underlying earnings** by €+174 million to €402 million, or €+132 million on a comparable basis[7]. However, the decrease in **net capital gains and losses attributable to shareholders** (€-301 million of which €-313 million linked to valuation allowances) offset this positive trend resulting in **adjusted earnings** at €+151 million, lower by €-127 million compared to June 2002.

International Insurance **adjusted earnings** improved by €+84 million to €42 million, of which €+115 million on AXA RE following an improved technical margin (lower cost of covers, partly offset by decrease in net attritional margin), lower acquisition expenses in line with premiums decrease, and the non-recurring 2002 impact of the September 11, 2001 event (€-89 million). Excluding net capital gains and losses attributable to shareholders, and the 2002 cost linked to September 11, 2001 terrorist attacks, **underlying earnings** improved by €+78 million to €50 million.

Asset Management **adjusted earnings** decreased by €-42 million to €106 million, or €-22 million on constant exchange rate basis, of which €-21 million on Alliance Capital reflecting lower fees, commissions and other revenues in line with lower average assets under management in a still difficult market environment. Excluding net capital gains and losses attributable to shareholders, **underlying earnings** decreased consistently by €-40 million to €107 million, or €-20 million on a constant exchange rate basis.

Other Financial Services **adjusted earnings** increased by €+66 million to €113 million, as AXA Bank Belgium earnings improved (€+53 million) following higher net capital gains and as other entities earnings improved by €+26 million due to a favorable run-off development. Excluding net capital gains and losses attributable to shareholders, **underlying earnings** increased consistently by €+63 million to €99 million.

Holdings **adjusted earnings** decreased by €-114 million to €-245 million mainly due to the €-109 million decrease in net capital gains and losses attributable to shareholders as June 2002 included a gain of €106 million on the disposal of the BBVA stake. Excluding net capital gains and losses attributable to shareholders, **underlying earnings** were nearly stable (€-5 million) at €-254 million.

Consolidated Shareholders' Equity

At June 30, 2003, consolidated shareholders' equity totaled €22.7 billion. The movement in shareholders' equity since December 31, 2002 is presented in the table below:

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[5] On a constant exchange rate basis (€-77 million impact) and excluding 2002 UK Health activities earnings (€-45 million impact) presented from Jan 1, 2003 in Property &Casualty segment.

[6] Including UK Health activities but excluding the UK Discontinued Business reported since year-end 2002 within the International Insurance segment.

[7] On a constant exchange rate basis and including 2002 UK Health activities earnings (€+45 million) presented in P&C segment starting January 1st, 2003.

	Shareholders' Equity *(in euro millions)*	Number of ordinary shares outstanding *(in millions)*
At December 31, 2002	**23,711**	**1,762.2**
- Capital increases (to employees)	-	-
- Exercise of share options	3	0.3
- Cash dividend	(680)	-
- Impact of foreign exchange fluctuations	(506)	-
- Other	(4)	-
At June 30, 2003 (before net income of the period)	**22,524**	**1,762.5**
Net income for the period	**209**	**-**
At June 30, 2003	**22,733**	**1,762.5**

Creation of Shareholder Value

EARNINGS PER SHARE ("EPS")

Based on AXA' s consolidated net income of €209 million and weighted average number of outstanding ordinary shares of 1,762 million for Half Year 2003, basic net income per ordinary share was €0.12 (Half Year 2002: €837, 1,735 million and €0.48).

Fully Diluted EPS, which take into account the potential dilution of convertible debt and outstanding share options were €0.12 for Half Year 2003, as compared to €0.48 for Half Year 2002 and €0.55 for full year 2002.

Based on adjusted earnings of €363 million for Half Year 2003, and a weighted fully diluted average number of outstanding shares of 1,764 million, **fully diluted adjusted EPS** amounted to €0.21, as compared to €0.65 for Half Year 2002.

Excluding the impact of September 2001 events and net gains and losses attributable to shareholders, Half Year 2003 **fully diluted underlying EPS** increased by 6% to €0.61, as compared to Half Year 2002 (€0.58).

RETURN ON EQUITY (ROE)

(in euro millions except percentages)	Period ended June 30, 2003	2002	FY 2002	Var. HY 2003 / HY 2002	Var. HY 2003 / FY 2002
Average Shareholder's equity	**23,457**	**24,361**	**23,643**		
Net income	209	837	949		
Annualized ROE	***1.8%***	***6.9%***	***4.0%***	***-5.1 bp***	***-2.2 bp***
Adjusted Earnings	363	1,146	1,357		
Annualized Adjusted ROE	***3.1%***	***9.4%***	***5.7%***	***-6.3 bp***	***-2.6 bp***
Annualized Underlying ROE	***9.2%***	***8.4%***	***7.1%***	***0.9 bp***	***2.1 bp***

Life & Savings Segment

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

Life & Savings Segment [(a)]					
	Period ended June 30,			FY 2002	
(in euro millions)	2003	2002 Pro forma [(b)]	2002 As published	Pro forma [(b)]	As published
Gross written premiums	23,454	24,224	24,823	46,972	48,080
Fees, commissions and other revenues	235	270	298	513	539
Gross revenues	**23,689**	**24,493**	**25,121**	**47,485**	**48,619**
Change in unearned premium reserves	(86)	(101)	(147)	(7)	(16)
Net investment result [(c)]	11,058	(6,331)	(6,324)	(10,672)	(10,684)
Total revenues	**34,661**	**18,061**	**18,650**	**36,805**	**37,920**
Insurance benefits and claims [(c)]	(31,732)	(14,207)	(14,638)	(30,120)	(30,958)
Reinsurance ceded, net	41	82	82	289	288
Insurance acquisition expenses	(1,318)	(1,383)	(1,419)	(2,738)	(2,806)
Administrative expenses	(1,205)	(1,383)	(1,453)	(2,741)	(2,868)
Operating Income	**447**	**1,170**	**1,222**	**1,495**	**1,575**
Income tax expense	(232)	(289)	(304)	(98)	(119)
Equity in income (loss) of unconsolidated entities	25	(23)	(23)	(7)	(7)
Minority interests	(43)	(48)	(48)	(83)	(83)
ADJUSTED EARNINGS	**197**	**809**	**846**	**1,308**	**1,367**
Impact of exceptional operations	77	-	-	-	-
Goodwill amortization (group share)	(147)	(150)	(153)	(296)	(303)
NET INCOME	**126**	**659**	**693**	**1,012**	**1,063**

(a) Before intercompany transactions.

(b) UK Health business has been tranfered to UK Property & Casualty segment. Consequently HY and FY 2002 has been restated excluding UK Health business.

(c) For the periods ended June 30, 2003, June 30, 2002 and December 31, 2002, the change in fair value of separate accounts had impacted the net investment result for respectively Euro +6,141 million, Euro -10,472 million and Euro -17,576 million and benefits and claims respectively.

Consolidated Gross revenues [(a)]					
	Period ended June 30,			FY 2002	
(in euro millions)	2003	2002 Pro forma [(b)]	2002 As published	Pro forma [(b)]	As published
France	5,500	5,280	5,280	10,432	10,432
United States	7,049	6,456	6,456	12,726	12,726
United Kingdom	2,861	4,310	4,938	7,228	8,362
Japan	3,175	2,897	2,897	6,428	6,428
Germany	1,613	1,487	1,487	3,141	3,141
Belgium	1,143	862	862	1,629	1,629
Others countries	2,349	3,202	3,202	5,900	5,900
TOTAL	**23,689**	**24,493**	**25,121**	**47,485**	**48,619**
Intercompany transactions	(7)	(9)	(9)	(33)	(33)
Contribution to consolidated gross revenues	**23,682**	**24,484**	**25,112**	**47,452**	**48,586**

(a) Gross written premiums, plus fees, commissions and other revenues.

(b) UK Health business has been transferred to UK Property & Casualty segment. Consequently HY and FY 2002 has been restated excluding UK Health business.

	Adjusted earnings & Net income				
	Period ended June 30,			FY 2002	
(in euro millions)	**2003**	**2002 Pro forma [(a)]**	**2002 As published**	**Pro forma [(a)]**	**As published**
France	274	235	235	432	432
United States	239	340	340	520	520
United Kingdom	87	107	144	290	348
Japan	(325)	(14)	(14)	(45)	(45)
Germany	(28)	7	7	(0)	(0)
Belgium	(146)	63	63	8	8
Others countries	95	71	71	104	104
ADJUSTED EARNINGS	**197**	**809**	**846**	**1,308**	**1,367**
Impact of exceptional operations	77	-	-	-	-
Goodwill amortization (group share)	(147)	(150)	(153)	(296)	(303)
NET INCOME	**126**	**659**	**693**	**1,012**	**1,063**

(a) UK Health business has been transferred to UK Property & Casualty segment. Consequently HY and FY 2002 has been restated excluding UK Health business.

Life & Savings operations - France

Life & Savings Operations - France			
	Period ended June 30,		FY
(in euro millions)	2003	2002	2002
Gross written premiums	*5,500*	*5,280*	*10,432*
Investment margin	526	532	872
Fees & revenues	515	497	982
Net technical margin	40	11	104
Expenses (net of DAC/VBI)	(731)	(735)	(1,464)
Operating Income	**350**	**305**	**495**
Income tax expense	(77)	(71)	(64)
Equity in income (loss) of unconsolidated entities	2	1	2
Minority interests	(1)	(0)	(1)
ADJUSTED EARNINGS	**274**	**235**	**432**

Gross written premiums increased by +4% on a comparable basis as AXA France succeeded in adapting its investments and savings offers to customers needs in a continuously volatile financial markets environment.

– ***Investments & savings**:* Individual premiums were up 3% slightly outperforming market growth. General account premiums represented 86% of individual investments premiums in the first half of 2003 as compared to 73% in the first half of 2002. Group retirement premiums increased by +20%, representing 8% of gross written premiums, owing to new premiums with large companies.

– ***Life and health**:* Premiums grew by +1%.

Investment margin decreased by €-6 million or -1% from €532 million in half year 2002 to €526 million in half year 2003. Investment income increased by €29 million reflecting the increase in general account reserves. Realized gains increased by €+102 million from €-24 million in June 2002 to €+78 million. Investment gains on equities included a realized gain on the exchange of Credit Lyonnais shares for Credit Agricole SA shares for €109 million and valuation allowances for €-76 million, as compared to €-10 million in June 2002. As a consequence, amounts credited to policyholders increased by €+137 million.

Fees & revenues increased by €+18 million or +4%. Fees on separate account investment products decreased by €-23 million, as the result of decreasing gross written premiums and lower average policyholders' reserves. This decrease was more than offset by the increase in fees, due to increasing volumes, on general account investments products (€+14 million) and on individual life and health (€+12 million) and also due to a more favorable product mix on Group life and health business (€+15 million).

The €+29 million increase in **net technical margin** was mainly attributable to the Group life and health business as a consequence of product mix and better rates.

Expenses net of DACs and VBI decreased by €-4 million. Commissions to agents and brokers were up €23 million, mainly as a consequence of the change in product mix in Group life and health. This increase was more than offset by the decrease in other management expenses which were down by €27 million as part of the AXA France continued effort to reduce its cost base.

The **cost income ratio** improved by 3 points to 69% in half year 2003 as compared to half year 2002 mainly due to the improvement in fees & revenues and net technical margin. Excluding net capital gains and losses, **underlying cost income ratio** improved by 1 point to 71% in half year 2003.

Income tax expense increased by €-6 million to €-77 million as the result of the increase in operating income.

Adjusted earnings improved to €+274 million in half year 2003 as compared to €+235 million in half year 2002 as the result of the increase in fees and revenues and in technical margin. Excluding net capital gains and losses attributable to shareholders **underlying earnings** increased by €10 million to €232 million in half year 2003 as compared to €221 million in half year 2002.

Life & Savings operations - United States

Life & Savings Operations - United States

	Period ended June 30,		FY
(in euro millions)	**2003**	**2002**	**2002**
Gross revenues	*7,049*	*6,456*	*12,726*
Investment margin	274	396	550
Fees & revenues	388	517	921
Net technical margin	231	289	348
Expenses (net of DAC/VBI)	(605)	(722)	(1,352)
Operating Income	**288**	**480**	**467**
Income tax expense	(49)	(140)	53
Minority interests	(0)	(0)	(0)
ADJUSTED EARNINGS	**239**	**340**	**520**
Average exchange rate : US$ 1.00 = €	*0.91*	*1.11*	*1.06*

Gross revenues were up €593 million compared to first half 2002 on a current rate basis, or a 34% increase on a constant exchange rate basis. The combined two main insurance business lines (Investment & Savings and Life, which totaled 93% of US Life & Savings gross revenues) grew by 38% in 2003, compared to the same period in 2002. This trend is mainly due to continued very strong sales of the Variable Annuity Accumulator Series product line launched on April 1, 2002. The Other premiums increased by 5%. Excluding Institutional Separate Account premiums, gross revenues were up €606 million compared to first half 2002 on a current rate basis or +35% on a constant exchange rate basis.

Investment margin decreased by €-122 million in 2003 as compared to 2002, or by €-59 million on a constant exchange rate basis.

The decrease was mainly due to €-132 million higher capital losses, due to (i) lower gains on sale of real estate of €-151 million in 2003 partially offset by (ii) lower net capital losses on fixed maturities. Interest and bonus credited decreased by €+81 million as the impact of lower credited rates in Life and Annuity business was partially offset by higher General Account balances. Investment income decreased by €-9 million, primarily due to lower yields partially offset by a higher level of assets in the General Account.

Fees & revenues decreased by €-129 million in 2003 as compared to 2002, or a decrease of €-39 million on a constant exchange rate basis, mainly due to lower fees earned on Separate Account business (€-18 million), lower loadings on premiums (€-10 million) resulting from timing of reinsurance premiums and lower fees on lower sales of Mutual Funds (€-11 million). The decrease in fees earned on separate account business was attributable to the decline in separate account balances due to the depreciation in the financial markets.

Net technical margin decreased by €-58 million in 2003 as compared to 2002, or by €-4 million on a constant exchange rate basis. The decrease was mainly attributable to (i) less favorable life mortality (€-11 million), and to (ii) higher benefits and reserves in reinsurance assumed product lines (€-16 million), partially offset by (iii) a decrease in incurred benefits related to Guaranteed Minimum Death

Benefit ("GMDB") and Guaranteed Minimum Income Benefit ("GMIB") features on annuity products due to the improvement in the financial markets in 2003 (€+21 million).

Expenses (including commissions and DAC) decreased by €+118 million in 2003 as compared to 2002, or an increase of €-23 million on a constant exchange rate basis. This was due to an increase in DAC amortization of €-36 million mainly due to higher margins in products with high DAC reactivity partially offset by a decrease in expenses net of DAC capitalization of €+13 million due to continued focus on cost reduction.

Expenses including commissions, before DAC capitalization, increased (€-109 million) principally due to (i) greater commission expense of €91 million (including a reduction of €12 million related to reinsurance assumed product lines) due to higher sales, to (ii) additional employee benefit costs of €27 million, reflecting higher qualified and non-qualified pension plan expenses of €23 million which includes the impact of reducing the expected long-range return on assets and to (iii) increased amortization of IT expenses net of capitalization of €6 million. This increase is more than offset by greater DAC capitalization of €122 million and general expenses reductions.

The **cost income ratio** was 98% versus 81% in 2002 due to the decline in margins and to the increase in commissions and expenses before DAC capitalization. Excluding net capital losses attributable to shareholders, the **underlying cost income ratio** increased to 91% versus 81% in 2002, reflecting the lower revenues as well as the increase in expenses.

Income tax expense decreased by €+91 million in 2003 as compared to 2002, or by €+79 million on a constant exchange rate basis. The decrease is principally due to the impact of lower pre-tax income and to a €25 million reduction resulting from a review of the deferred tax positions related to periods subsequent to the acquisition of The Equitable Inc. by AXA.

Adjusted earnings decreased by €-101 million in 2003 as compared to 2002, or by €-46 million on a constant exchange rate basis. The decrease is primarily due to (i) lower investment and technical margins to (ii) lower fees and revenues, to (iii) higher DAC amortization to (iv) higher pension expenses and to (vi) lower tax expense. Excluding net capital gains attributable to shareholders, **underlying earnings** decreased by €-49 million compared to 2002, or increased by €+15 million on a constant exchange rate basis.

Life & Savings operations - United Kingdom

Prior to 2003 AXA included both AXA Life and PPP Healthcare in the Life segment. From H1 2003 PPP Healthcare is included in the Property & Casualty segment.

Life & Savings Operations - United Kingdom

(in euro millions)	**Period ended June 30,** 2003	2002 Pro forma [(a)]	2002 As published	**FY 2002** Pro forma [(a)]	As published
Gross revenues	*2,861*	*4,310*	*4,938*	*7,228*	*8,362*
Investment margin [(b)]	179	153	153	279	279
Fees & revenues [(b)]	149	187	187	335	335
Net technical margin [(b)]	(30)	16	16	48	48
Expenses (net of DAC/VBI) [(b)]	(202)	(206)	(206)	(465)	(465)
Health operating income	-	-	53	-	80
Operating Income	**96**	**149**	**202**	**197**	**277**
Income tax expense	(9)	(43)	(58)	93	71
Equity in income (loss) of unconsolidated entities	0	1	1	0	0
Minority interests	(0)	(0)	(0)	(0)	(0)
ADJUSTED EARNINGS	**87**	**107**	**144**	**290**	**348**
Average exchange rate : £ 1.00 = €	*1.46*	*1.61*	*1.61*	*1.59*	*1.59*

(a) UK Health business has been transfered to UK Property & Casualty segment. Consequently HY and FY 2002 have been restated excluding UK Health business.
(b) HY and FY 2002 margin analysis as published are presented excluding Health business

Gross revenues: Total revenues fell by 34% to €2,861 million or 27% on a constant exchange rate basis, with new business on an Annual Premium Equivalent (APE[8]) basis also down 27% on a constant exchange rate basis.

- ***Investment & Savings (88%):*** Premium revenues are 29% lower than last year. The shortfall against last year is attributed to AXA’s decision in July 2002 to withdraw from the With Profit Bond market, consistent with its long held strategy of prudent financial management of its financial strength. This reduces revenue by €1,493 million. AXA's focus since the second half of 2002 has been on cautious investment products, including the Distribution Fund range, which has a strong reputation and a proven performance record in unsettled market conditions. In the first half of the year sales of Unit Linked investment products were up 71% on the first half of 2002 with sales in Q2 (stand-alone) increasing by 14% on Q1 (stand-alone).

  Group pensions premiums are 4% up on 2002, which benefited from AXA’s strategy of focusing on key distributors in the intermediary market, who, in common with our customers are experiencing the benefits of our major investment program.

- ***Life (12%):*** Total Life premiums are down 2% predominantly due to reducing premiums from the closed book of mortgage endowment business.

Investment margin has increased by €+26 million in 2003 as compared to 2002, or €+44 million on a constant exchange rate basis. This increase is due to:

[8] *Annual Premium Equivalent is New Regular Premiums (stand-alone) plus one tenth of Single premiums*

- €+72 million increased realized gains mainly due to the sale of Credit Lyonnais shares (€52 million) and favorable currency movements on non-sterling denominated bonds (€16 million) held in shareholder funds, offset by €11 million impairment of corporate bonds,
- €+19 million increased investment income on shareholder assets following the capital restructuring of the AXA Sun Life funds in 2002,
- Offset by the non repeated income of €+23 million which arose in 2002 from the finalization of the calculations of the transfer of Inherited Estate assets under the financial reorganization on 1 January 2002, following the repeat proposal to policyholders in 2001.
- In line with market trends With Profit bonus payments have reduced following continued poor stock market performance with an impact of €-13 million on shareholder profits.

Fees & revenues reduced by €-38 million in 2003 as compared to 2002, or €-22 million on a constant exchange rate basis, mainly attributable to unit-linked business:

- €-16 million decrease in fees earned on account balances due to the decline in the stock market throughout 2002 and 2003, offset by increased business in-force
- €-6 million decrease in loadings on premiums on life and pension products attributable to changes to product design and reduced loadings to face the "1% world environment".

Net technical margin has decreased by €-46 million in 2003 as compared to 2002 or €-49 million on a constant exchange rate basis. This is due to a €-45 million strengthening of the reserves in respect of annuity business in line with improving life expectancies and lower expected long-term investment returns.

Expenses, net of policyholder allocation[9] have reduced by €+4 million in 2003 as compared to 2002, but increased by €-17 million on a constant exchange rate basis. Expenses savings of €10m have been more than offset by greater amortization of Value of Business In-force on With Profits business as future profit profiles have been reduced to reflect lower projected bonuses in line with a reduced exposure to Equity investments.

The **cost income ratio** of 60% in the first half of 2002 has worsened to 78% in the first half of 2003. The impact of a reduction in the Technical margin due to strengthening of actuarial liabilities has offset the impact of expense savings. Excluding net capital gains and losses, the **underlying cost income ratio** increased to 96%.

Income tax expense reduced by €+34 million in 2003 as compared to 2002, or €+33 million on a constant exchange rate basis mainly due to lower taxable profits and the absence of distribution tax in 2003.

Adjusted earnings reduced by €-20 million in 2003 as compared to 2002, or €-11 million on a constant exchange rate basis, mainly due to lower fees and revenues, and strengthening of annuity reserves, partly offset by an improved investment margin due to the sale of the holding in Credit Lyonnais.

Excluding net capital gains and losses attributable to shareholders (mainly related to Credit Lyonnais), **underlying earnings** decreased by €-80 million compared to 2002, or €-77 million on a constant exchange rate basis.

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[9] *Part of these expenses are located in the With-Profit funds and therefore are borne by policyholders.*

Life & Savings operations - Japan

Life & Savings Operations - Japan [a]			
	Period ended June 30,		FY
(in euro millions)	**2003**	**2002**	**2002**
Gross written premiums	*3,175*	*2,897*	*6,428*
Investment margin	(410)	(145)	(71)
Fees & revenues	438	476	927
Net technical margin	30	52	(43)
Expenses (net of DAC/VBI)	(356)	(381)	(759)
Operating Income	**(299)**	**2**	**54**
Income tax expense	(38)	(17)	(100)
Minority interests	12	1	2
ADJUSTED EARNINGS	**(325)**	**(14)**	**(45)**
Average exchange rate : 1.00 € = Yen	*125.00*	*113.33*	*115.07*

(a) AXA Life & Savings operations close its account in September 30. Therefore, the six-month period included in AXA Half-Year consolidated financial statements refer to period October 1 to March 31 for these operations.

Gross written premiums increased by 21% to €3,175 million on constant exchange rate, driven by sustained efforts to increase the sales of higher margin individual health and life products. Gross written premiums also benefited from the strong growth of Group pension business.

- ***Investment & Savings****:* Group pension business sharply grew by 54% to €1,144 million as AXA Japan increased its participation in several large contracts, thereby benefiting from portfolio transfers of €744 million (€450 million for the same period in 2002). Premiums from traditional individual contracts remained unchanged at €233 million, the production from new bancassurance agreements being offset by the impacts of the conversions.
- ***Life****:* Total premiums increased by 7% to €1,293 million mainly from strong sales in Term and Term Riders, a higher retention of profitable Whole Life policies and the inflows of reserves from the conversions.
- ***Health****:* Health premiums increased by 19% to €483 million as the sales-force focused on sales of Medical Whole Life products (+69%), which offer high margins, and despite lower renewals on Medical Term reflecting the increased competition on the third market.

Investment margin decreased by €-265 million (€-307 million on a constant exchange rate basis) as a result of larger asset impairments (€-418 million gross of tax versus €-35 million in 2002). Excluding these impairments, the investment margin was up by €118 million (€109m on constant exchange rate) mainly driven by the €+145 million higher **net realized capital gains and losses** (on a constant exchange rate basis) as (i) the hedging strategy was optimized in 2003, and (ii) the restructuring of the bond portfolio from Japanese Government Bonds into foreign corporate bonds in 2003 entailed higher capital gains. Despite higher income on fixed maturities, net investment income decreased by €-27 million on a constant exchange rate basis reflecting lower revenues from the reduced real estate and loan portfolio.

Fees and revenues decreased €-38 million on current exchange rate and increased by €+7 million or +1% on constant exchange rate as compared to prior year, mainly driven by a continuing shift in product mix towards high margin products, especially in Medical Whole Life and Health riders. This increase was mitigated by surrenders, which resulted in lower revenues from Medical Term and short duration Endowment products.

Net technical margin amounted to €30 million, a decrease of €-22 million (or €-20 million on constant exchange rate resulting from the strengthening of reserves on medical term anticipated conversions (€-38 million). Excluding this impact, the net technical margin was up by €+21 million on constant exchange rate, mainly driven by higher surrenders and conversions of individual annuity products offering high guaranteed rates.

Expenses gross of DAC and VBI amortization increased by €-46 million at constant exchange rate to €-429 million. This increase was primarily due to higher commissions resulting from the combination of higher new business and the change in product mix. **Expenses, net of DAC and VBI amortization** decreased by €25 million on current exchange rate and increased by €-12 million on a constant exchange rate basis: this lower increase resulted from a higher DAC capitalization along with the growth of the portfolio.

Tax increased by €-21 million (€-25 million on constant exchange rate) to €-38 million due to a €-139 million increase of valuation allowance on AXA Japan's tax loss carry-forward, following the worsening of financial markets environment.

Excluding net capital gains and losses, the **underlying cost income ratio** went up by 18 points to 104% mainly due to a lower technical margin.

Adjusted earnings declined €-311 million (€-344 million on constant exchange rate) to €-325 million. This decrease was primarily attributable to asset impairments (€-225 million net of tax and DAC/VBI reactivity) and a €-134 million increase in the valuation allowance on AXA Japan's deferred tax asset. These were partly offset by higher capital gains and investment income on fixed maturities. The reduction in **underlying earnings** by €-79 million on constant exchange rate to €-21 million is mostly explained by a lower technical margin from strengthening of medical insurance reserves, lower investment income on the real estate and loan portfolios, the higher expenses stemming from new business growth, and tax impacts.

Life & Savings operations - Germany

Life & Savings Operations - Germany

(in euro millions)	Period ended June 30, 2003	2002	FY 2002
Gross written premiums	*1,613*	*1,487*	*3,141*
Investment margin [a]	10	6	36
Fees & revenues [a]	18	15	27
Net technical margin [a]	5	3	10
Expenses (net of DAC/VBI) [a]	(19)	(17)	(35)
Health operating income	7	8	23
Operating Income	**20**	**15**	**61**
Income tax expense / benefit	(51)	(6)	(62)
Minority interests	3	(1)	0
ADJUSTED EARNINGS	**(28)**	**7**	**(0)**

(a) Excluding health business.

The whole margin analysis here after is presented net of policyholder bonus

Gross written premiums rose by 9%, mainly due to the Investment & Savings and Health business.

- ***Investment & Savings*** (18% of total gross written premiums): Revenues increased by 23%, mainly driven by non unit-linked premiums (96% of total Investment & Savings premiums). This increase was due to the new business growth by 111% in new regular premium business in traditional annuity products - supported by a strong growth of single premiums by +35%. Unit-linked business significantly increased, while still representing only a small proportion of Investment & Savings premiums (4% versus 3% in the prior year).
- ***Life*** (49% of total gross written premiums): Revenues were stable.
- ***Health*** (24% of total gross written premiums): Additional rate increases and strong new business sales (+40%), especially in the broker business, continued to drive health premium growth of 15%, thereby significantly outperforming the estimated market growth of 6%.

Other gross written premiums (9% of total gross written premiums - mainly Consortium and Medical Councils business) grew by 15%, mainly due to higher premiums from consortium business.

Investment margin increased by €+4 million primarily due to gross capital gains. Besides, total valuation allowances amounted to €-493 million on equities and mutual funds which was mainly offset by lower policyholder participation.

Fees & revenues increased by €+3 million to €18 million due to a strong new business growth in traditional business, especially in the segment of pension products.

Net technical margin grew by €+2 million due to lower death claims and an improved risk development in professional disability insurance.

Expenses rose by €-2 million, exclusively attributable to commissions from the strong new business growth, while non-commission expenses decreased by €+8 million as a result of effective cost cutting.

Excluding net capital gains and losses, **underlying cost income ratio** increased from 76% to 91% in June 2003. The increase in investment margin (excl.net capital gains and losses) and in fees and revenues did not compensate for the increase in expenses (gross of DAC).

The **health operating** income was stable at €7 million: the decline in the investment result was offset by an improved technical margin (€+2 million) and a decrease in expenses (€+2 million).

The **income tax** expense increased by €-45 million to €-51 million in 2003, since investment losses and impairments are not tax deductible under the current legislation.

Adjusted earnings decreased by €35 million to a loss of €-28 million, driven by additional tax charges on the fiscally non-deductible asset impairments, partly offset by a higher investment margin. Excluding net capital gains and losses attributable to shareholders, **underlying earnings** improved by €3 million from €7 million to €9 million mainly driven by high fees and revenues and a slight improvement of the net technical margin.

Life & Savings operations - Belgium

Life & Savings Operations - Belgium			
	Period ended June 30,		FY
(in euro millions)	**2003**	**2002**	**2002**
Gross written premiums	*1,143*	*862*	*1,629*
Investment margin	(111)	103	61
Fees & revenues	63	59	128
Net technical margin	19	14	38
Expenses (net of DAC/VBI)	(89)	(101)	(195)
Operating Income	**(119)**	**74**	**32**
Income tax expense	(27)	(11)	(24)
Minority interests	0	(0)	(0)
ADJUSTED EARNINGS	**(146)**	**63**	**8**

Gross written premiums went up by +33%.

– ***Individual Life & Savings*** (84% of Belgium Life & Savings gross written premiums). Premiums increased by 39% to €957 million mainly due to Non unit-linked products (+56%), which notably benefited from an exceptional premium in the Opti-Deposit product, for €103 million. Excluding this premium, non unit-linked products grew by 35%. Unit-linked contracts went down by 5% and represented 10% of the Individual Investment & Savings premiums as compared to 15% in 2002. Life was stable at €113 million.

– ***Group Life & Savings***. Premiums were up by 8% to €186 million due to a higher level of regular premiums (+13%), mainly in non unit-linked products.

The **investment margin** decreased by €-214 million to €-111 million, partly due to valuation allowance on securities for €236 million as compared to €33 million in 2002. Excluding this impact, the investment margin would have decreased by €11 million to €125 million mainly driven by:

– Higher interests credited (€-9 million) due to higher reserves. However, the average policyholder crediting rate served in 2003 decreased by 16 basis points to 4.39%,

- Lower capital gains and losses (€-40 million) of which €-49 million on equity securities, despite a €14 million gain on the sale of Crédit Lyonnais shares (gross and net amount)

– Higher net investment income (€+38 million) in relation to a higher level of technical reserves.

Fees & revenues increased by €+4 million to €63 million as a consequence of higher sales.

The **net technical margin** was up by €+5 million to €19 million, as a result of a lower mortality in Group Life.

Expenses decreased by €+12 million, mainly driven by a lower VBI amortization charge and lower overhead costs.

Excluding net capital gains and losses, the **underlying cost income ratio** decreased from 70% in 2002 to 58% in 2003 mainly as a consequence of a higher net investment income and lower expenses.

Income tax expenses increased by €-16 million to €-27 million, mainly due to (i) a higher taxable income, to (ii) the implementation in 2003 of the taxation of dividends partially compensated by a (iii) decrease of the tax rate of 6 points to 33.99%.

Adjusted earnings decreased by €-209 million to €-146 million mainly as a result of the valuation allowances recorded in respect of impairments on equity securities.

Excluding net capital gains and losses attributable to shareholders **underlying earnings** increased by €+22 million to €46 million, mainly due to a higher net investment income (€+8 million) and lower expenses (€+7 million).

Life & Savings Operations - Other Countries

The following tables present the operating results for the other Life & Savings operations of AXA, which includes Australia/New Zealand, Hong Kong, The Netherlands, Spain, Italy as well as Portugal, Austria & Hungary, Singapore, Luxembourg, Switzerland, Canada, Morocco and Turkey, for the years indicated.

Consolidated gross revenues			
	Period ended June 30,		**FY**
(in euro millions)	**2003**	**2002**	**2002**
Australia / New Zealand	836	1,040	2,029
Hong Kong	389	498	936
The Netherlands	459	563	918
Italy	214	237	552
Spain	218	570	845
Other countries	233	295	620
TOTAL	**2,349**	**3,202**	**5,900**
Intercompany transactions	(5)	(6)	(23)
Contribution to consolidated gross revenues	**2,344**	**3,197**	**5,877**

	Adjusted earnings & Net income		
	Period ended June 30,		**FY**
(in euro millions)	**2003**	**2002**	**2002**
Australia / New Zealand	10	48	59
Hong Kong	49	2	33
The Netherlands	(5)	(6)	(6)
Italy	15	9	2
Spain	20	13	30
Other countries	6	6	(14)
ADJUSTED EARNINGS	**95**	**71**	**104**
Impact of exceptional operations	11	-	-
Goodwill amortization (group share)	(13)	(11)	(29)
NET INCOME	**93**	**60**	**75**

AUSTRALIA AND NEW ZEALAND

Gross revenues for the Life & Savings businesses for the six months ending June 2003 increased by 11% on a comparable basis to €836 million relative to the first half of 2002. Difficult market conditions persisted during the first half of 2003, with the first quarter being particularly volatile because of heightened investor uncertainty caused by the war in Iraq. Despite this, **gross written premiums** grew by 11% due to improvements in sales capability and increased demand for retirement income products. Fees from advisory businesses increased 11% on a comparable basis to €59 million.

Mutual fund sales, net of redemptions, of €245 million for the six months ending June 2003 were adversely impacted by the uncertain and volatile market conditions. This resulted in a decline of net inflows by 33%, on a comparable basis over the prior year. The successful integration of ipac added net inflows of €65 million.

Excluding AXA Health from 2002 (€9 million net group share) and Members' Equity from 2003, **adjusted earnings net group share** for the six months ending June 2003 decreased by €29 million to €10 million. This reduction has been principally driven by lower returns on equities, partly offset by lower expenses following the local managements continuing transformation program. Despite management expenses being lower, the effect of reduced investment income, increased the **underlying cost income ratio** to 92% compared to 64% last year.

Excluding net capital gains and losses attributable to shareholders, AXA Health from 2002 (€9 million net group share) and Members' Equity from 2003 and on a constant exchange rate basis, **underlying earnings** for the Life & Savings businesses declined by €24 million to €12 million net group share, the main driver being the impact of investment markets.

HONG-KONG

Total **gross written premiums** of €389 million were 4% lower than for the 6 months to June 2002. Whilst total sales on an APE[10] basis were higher than last year, levels of single premium business fell. Last years' gross written premiums included the impact of a single premium, structured guaranteed fund which had a limited sale period. Unit linked single premiums proved to be difficult to sell in the Hong Kong market during the first half year due to continuing investment market volatility, hence a similar offer was not repeated during the first half of 2003.

Excluding this impact, total gross written premiums were 1% higher than same period in 2002. The agent poaching experienced in the Hong Kong market during 2001 adversely impacted the inforce base and gross written premium levels in 2002. In 2003, this impact has been offset by an increase in new business and a decrease in surrenders/lapses.

Adjusted earnings increased from €2 million to €49 million group share. This progression was predominantly driven by a significant improvement in the investment margin (on a net group share basis; current year result of €+1 million compared to a loss of €-28 million). H1 2002 investment margin suffered from €26 million of net group share realized capital losses on equity securities and bonds, (of which a valuation allowance for impaired securities contributed €4 million net group share). H1 2003 investment margin was favorably impacted by a further 75 basis points cut effective January 2003 of crediting rates to policyholders in line with market trends.

Excluding net capital gains and losses attributable to shareholders, **underlying earnings** increased by €28 million net group share on a constant exchange rate basis to €45 million, and the **underlying cost income** ratio improved by 14 points to 45% reflecting lower management expenses and commissions, improved investment income on a larger portfolio and the positive impact of a reduction in crediting rates to policyholders.

THE NETHERLANDS

The Netherlands **gross revenues** decreased by 19%, driven by the decrease of non-profitable direct annuity production and by the restructuring of the Health portfolio.

In *Life insurance*, **adjusted earnings** remained stable presenting a loss of €-9 million. This was driven by a €11million lower **investment margin** due to a higher valuation allowance on equity securities (€20 million), lower investment income (€-4 million), offset by higher capital gains (€15 million), and. **Fees & revenues** were lower by €4 million due to a decrease in annual premiums. The **net technical margin** increased by €+4 million mainly due higher mortality margin. **Expenses** decreased by €9

[10] *Annual Premium Equivalent is New Regular Premiums plus one tenth of Single premiums*

million mostly attributable to (i) €8 million incidental charges in 2002 and (ii) €1 million less marketing expenses. **Taxes** include an incidental profit of €2 million due to lower payable taxes of former years.

Excluding realized capital gains and losses attributable to shareholders, the **underlying cost income ratio** amounts to 90%, an improvement of 10.5 points as compared to H1 2002 mainly due to the decrease in expenses.

Underlying earnings were up by €9 million, mainly due to lower expenses and higher technical margin.

In the *Health* business, **adjusted earnings** as well as **underlying earnings** increased by €1 million at € 4 million.

ITALY

Gross revenues dropped by 10% compared to H1 2002 to €214 million, due to the delay in renewing the distribution agreement with the main bank partner, while the contribution of the agent network increased by 6%.

Adjusted earnings amounted to €15 million, up by €6 million from last year thanks to an improvement in the technical margin (€15 million) partially offset by lower tax credit pushdown from the legal restructuring of AXA subsidiaries in Italy (€2 million vs. €11 million in 2002).

In H1 2002, the technical margin was negatively impacted by a €6 million strengthening of insurance reserves on an old-generation guaranteed index-linked product, of which €9 million were released in 2003 following the recovery of underlying assets (residual provision: €4 million after tax).

The cost-income ratio improved by 59 points to 48%, mainly due to the release of index-linked insurance reserves. Excluding net capital gains and losses, the **underlying cost income** ratio is 44%.

Excluding net capital gains and losses attributable to shareholders, **underlying earnings** reached €15 million, up by €6 million from last year as a result of the above-mentioned increase in technical margin and decrease in tax credit pushdown.

SPAIN

Gross written premiums decreased by 62% to €218 million as compared to H1 2002, as AXA Seguros benefited last year from large group single premium contracts relative to pension funds outsourcing (legal obligation until November 2002). Excluding pension funds, written premiums increased by 21% driven by Investment & Savings products.

Adjusted earnings increased by €7 million as compared to H1 2002 to €20 million. This evolution was mainly driven by (i) increased revenues on fixed maturities, benefiting from the large pension funds contracts underwritten last year, (ii) higher fees and revenues following a favourable change in product mix and (iii) a one-time tax credit. These items were partly offset by lower net capital gains (€-2 million post-tax).

Excluding net capital gains and losses attributable to shareholders **underlying earnings** increased by €10 million to €15 million and **underlying cost income ratio** improved by 6 points to 89%, as a result of the evolutions mentioned above.

OTHER COUNTRIES

The other countries' adjusted earnings of €6 million were mainly attributable to the following countries:

	Adjusted earnings & Net income		
	Period ended June 30,		FY
(in euro millions)	**2003**	**2002**	**2002**
Portugal	2	2	0
Luxembourg	(2)	(1)	1
Austria	0	0	2
Switzerland	2	2	(21)
Hungary	0	1	1
Morocco	1	1	1
Canada	2	2	4
Turkey	1	(0)	0
Singapore	1	(1)	(3)
ADJUSTED EARNINGS	**6**	**6**	**(14)**
Impact of exceptional operations	-	-	-
Goodwill amortization (group share)	(0)	(0)	(1)
NET INCOME	**6**	**5**	**(14)**

Portugal

Gross written premiums grew by 8.3% to €50 million as compared to H1 2002 driven by the Investment & Savings non-UL products increase following re-investment campaigns and the launching of new competitive financial products.

Adjusted earnings remained stable at €2 million. Excluding net capital gains and losses attributable to shareholders, **underlying earnings** decreased by €1 million to €2 million, mainly as a result of higher interest credited following a different product mix.

Singapore

Gross revenues for the six months ending June 2003 were €40 million. Compared with the prior year, revenues decreased by 18% as a result of lower single premium sales, consistent with the weaker investor confidence during the current period and a particular focus of the company on more profitable business lines. Volumes were also adversely impacted during the first half 2003 by the SARS outbreak.

Adjusted earnings of €1 million increased by €2 million compared to the prior year.

Switzerland

Gross revenues increased by +43% as a result of a better product positioning and marketing initiatives with the distribution networks.

Adjusted earnings decreased by €-1 million to €2 million, mainly due to (i) a €-3 million decrease in net technical margin (reserve reinforcements in disability), partly offset by (ii) a higher investment margin (€+1 million) mainly attributable to higher revenues on bonds and lower equities impairment and (iii) higher fees and revenues (€+1 million) following growth of portfolio.

Excluding net capital gains and losses attributable to shareholders, **underlying earnings** decreased by €-2 million to nil.

Property & Casualty Segment

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

Property & Casualty Segment [a]

	Period ended June 30,			FY 2002	
(in euro millions)	2003	2002 Pro forma [b]	2002 As published	Pro forma [c]	As published
Gross written premiums	9,325	9,418	8,831	17,077	15,969
Fees, commissions and other revenues	17	36	8	38	12
Gross revenues	**9,342**	**9,454**	**8,839**	**17,115**	**15,981**
Change in unearned premium reserves	(1,036)	(1,088)	(1,043)	(315)	(307)
Net investment result	421	828	837	1,218	1,230
Total revenues	**8,727**	**9,194**	**8,633**	**18,018**	**16,904**
Insurance benefits and claims	(5,959)	(6,198)	(5,788)	(12,876)	(12,038)
Reinsurance ceded, net	(273)	(202)	(207)	(231)	(229)
Insurance acquisition expenses	(1,296)	(1,391)	(1,358)	(2,822)	(2,754)
Bank operating expenses	0	0	0	0	0
Administrative expenses	(925)	(963)	(892)	(1,785)	(1,658)
Operating Income	**275**	**440**	**388**	**305**	**224**
Income tax expense / benefit	(149)	(125)	(110)	(175)	(153)
Equity in income (loss) of unconsolidated entities	28	11	11	19	19
Minority interests	(4)	(11)	(11)	3	3
ADJUSTED EARNINGS	**151**	**315**	**278**	**152**	**93**
Impact of exceptional operations	45	-	-	-	-
Goodwill amortization (group share)	(55)	(57)	(54)	(118)	(111)
NET INCOME	**141**	**257**	**224**	**33**	**(19)**

(a) Before intercompany transactions.

(b) (i) UK Discontinued business has been transferred to International Insurance segment.
(ii) UK Health business transferred from Life & Savings segments. Consequently HY 2002 has been restated including UK Health business.

(c) UK Health business transferred from Life & Savings segments. Consequently FY 2002 has been restated including UK Health business.

Consolidated Gross Revenues [a]

	Period ended June 30,			FY 2002	
(in euro millions)	2003	2002 Pro forma [b]	2002 As published	Pro forma [c]	As published
France	2,506	2,432	2,432	4,383	4,383
Germany	1,796	1,821	1,821	2,867	2,867
United Kingdom	1,945	2,075	1,459	3,884	2,749
Belgium	771	735	735	1,401	1,401
Others countries	2,324	2,392	2,392	4,581	4,581
TOTAL	**9,342**	**9,454**	**8,839**	**17,115**	**15,981**
Intercompany transactions	(25)	(12)	(13)	(33)	(33)
Contribution to consolidated gross revenues	**9,316**	**9,442**	**8,826**	**17,082**	**15,948**

(a) Gross written premiums, plus fees, commissions and other revenues.

(b) (i) UK Discontinued business has been transferred to International Insurance segment.
(ii) UK Health business transferred from Life & Savings segments. Consequently HY 2002 has been restated including UK Health business.

(c) UK Health business transferred from Life & Savings segments. Consequently FY 2002 has been restated including UK Health business.

	Adjusted earnings & Net income				
	Period ended June 30,			FY 2002	
(in euro millions)	**2003**	**2002 Pro forma [(a)]**	**2002 As published**	**Pro forma [(b)]**	**As published**
France	170	153	153	237	237
Germany	(133)	19	19	(28)	(28)
United Kingdom	(60)	28	(9)	(137)	(196)
Belgium	17	48	48	(29)	(29)
Others countries	157	66	66	109	109
ADJUSTED EARNINGS	**151**	**315**	**278**	**152**	**93**
Impact of exceptional operations	45	-	-	-	-
Goodwill amortization (group share)	(55)	(57)	(54)	(118)	(111)
NET INCOME	**141**	**257**	**224**	**33**	**(19)**

(a) (i) UK Discontinued business has been transfered to International Insurance segment.
(ii) UK Health business transferred from Life & Savings segments. Consequently HY 2002 has been restated including UK Health business.
(b) UK Health business transferred from Life & Savings segments. Consequently FY 2002 has been restated including UK Health business.

Property & Casualty Operations - France

Property & Casualty operations - France			
	Period ended June 30,		FY
(in euro millions)	**2003**	**2002**	**2002**
Gross written premiums	*2,506*	*2,432*	*4,383*
Current accident year loss ratio (net)	78.2%	77.5%	78.7%
All accident year loss ratio (net)	78.0%	78.4%	78.8%
Net technical result	**491**	**463**	**913**
Expense ratio	24.2%	25.0%	24.1%
Net investment result	275	296	473
Operating Income	**226**	**224**	**349**
Income tax expense	(57)	(71)	(113)
Minority interests	(0)	(0)	(0)
ADJUSTED EARNINGS	**170**	**153**	**237**

Gross written premiums grew by +4% on a comparable basis due to rates increases in most lines of business.

- ***Personal lines*** premiums (63% of gross written premiums) grew by +2% as a consequence of higher rates and of a strong net inflow on motor partly offset by portfolio pruning in individual motor affinity groups.
- The increase in premiums for ***Commercial lines*** (37% of gross written premiums) was +7% as the consequence of successful rate increases in the main lines of business. Premiums grew by +11% in commercial property, +17% in commercial liability and +3% in commercial motor.

The **net technical result** improved by €+28 million or +6%.

- The *current accident year loss ratio* deteriorated by -0.7 point to 78.2% in half year 2003 as compared to 77.5% in half year 2002. The positive claims frequency trend in personal motor was more than offset by large claims in industrial risks and by the occurrence of several climatic events mainly impacting the individual property line.
- *Loss reserve development* improved by €+27 million (to €+7 million) mainly due to a more favorable claims experience in property and construction lines. This positive trend was partly offset by a €-21 million increase in motor annuity reserves as the consequence of a compulsory decrease in discount rate due to decreasing French interest rates.

The **expense ratio** improved by -0.8 point at 24.2% in June as the consequence of the continuous effort made by AXA France to reduce its cost base. The **combined ratio** improved to 102.2% in June 2003 as compared to 103.4% in 2002 mainly as the result of the improvement in expense ratio.

Net investment result decreased by €-21 million. **Investment income** marginally decreased by €-4 million**. Net investment gains** decreased by €-17 million at €+26 million in June 2003 as compared to €+42 million in June 2002. Net investment gains on equities were down by €-33 million to €+6 million in 2003, as compared to €39 million in 2002. They included a realized gain on the exchange of Credit Lyonnais shares for Credit Agricole SA shares for €137 million and depreciation allowances for €-123 million. Net investment gains on real estate increased to €+39 million, as compared to €+2 million in June 2002, mainly attributable to the sale of a large office building. Other net realized gains decreased by €-13 million, mainly due to currency effects.

Income tax expense decreased by €+14 million to €-57 million in 2003. Tax rate improved to 25%, as compared to 32% in June 2002 due to an increased impact of realized gains taxable at a reduced rate (20%), notably Credit Lyonnais realized gain.

Adjusted earnings increased by €+16 million to €+170 million in June 2003 from €153 million in June 2002.

Excluding net capital gains and losses attributable to shareholders, **underlying earnings** increased as compared to June 2002 by €+13 million to €+137 million due to the improvement in combined ratio.

Property & Casualty Operations - Germany

Property & Casualty operations - Germany			
	Period ended June 30,		FY
(in euro millions)	**2003**	**2002**	**2002**
Gross written premiums	*1,796*	*1,821*	*2,867*
Current accident year loss ratio (net)	76.2%	83.4%	86.2%
All accident year loss ratio (net)	70.2%	72.2%	77.0%
Net technical result	**429**	**415**	**665**
Expense ratio	29.4%	30.6%	30.3%
Net investment result	(89)	111	245
Operating Income	**(83)**	**68**	**35**
Income tax expense / benefit	(64)	(48)	(70)
Equity in income (loss) of unconsolidated entities	1	2	5
Minority interests	13	(4)	3
ADJUSTED EARNINGS	**(133)**	**19**	**(28)**

Gross written premiums (before inter-company elimination) amounted to €1,796 million. Net of inter-company elimination, gross written premiums increased by +2.0% on a comparable basis.

- ***Personal*** *(62% of total gross written premiums):* premiums increased by +1.3% due to a sharp increase of new business in motor coming from the low-cost product line "AXA die Alternative", while a premium decrease of 3.6% was experienced in retail liability.
- ***Commercial*** *(28% of total gross written premiums*): premiums increased by +2.5% mainly due to new business and additional premiums as a result of re-underwriting measures in Property (+7.2%), Liability (+22.8%) and Aviation (+15.3%). This largely compensated for the decrease in premiums of the run-off portfolio.
- ***Other*** *(10% of total gross written premiums):* premiums grew by +5.2% primarily due to an increase in Art business.

The **Net Technical Margin** showed an increase of €+14 million to €429 million.

Current Accident Year Loss Ratio net: The improvement of the current accident year loss ratio by -7.2 points, mainly resulted from the personal lines, following (i) the positive development in motor as a result of rate increases (ii) the negative effect in the half year 2002 of heavy storms. In commercial lines, the deterioration was primarily due to marine driven by the occurrence of large claims in the first quarter 2003. Further improvements were shown in the Fine Art business and the subsidiary DARAG (marine business) as a result of the restrictive underwriting and the restructuring measures.

All Accident Year Loss Ratio net decreased by -2.0 points due the improvement of the current accident year loss ratio and a significantly lower run-off result, especially in the commercial business lines.

Expense Ratio improved by -1.2 points as a result of the ongoing cost reduction program despite a decline in premium volume. Total non-commission expenses were reduced by €+21 million.

The **Net Combined Ratio** showed a strong decline of -3.2 points from 102.8% to 99.6%, as a result of the improvement of the all accident year loss ratio by -2.0 points and a decrease of the Expense Ratio by -1.2 points.

Net investment result decreased by €-200 million to €-89 million mainly as a result of net capital gains and losses amounting to €-176 million in 2003 as compared to €-21 million in the prior period. Valuation allowances on equity securities amounted to €-159 million. The net investment revenues decreased by €-45 million as a result of lower income on real estate and increased investment expenses.

Income tax expenses increased by €-16 million as a result of the improved technical margin and lower expenses.

Adjusted earnings decreased by €-152 million, to €-133 million, mainly resulting from the decline in the investment result.

Excluding net capital gains and losses attributable to shareholders, **underlying earnings** decreased by €-13 million, to €+24 million, primarily driven by the improvement of expenses (€+31 million) and net technical margin (€+13 million), while (i) investment revenues decreased by €-40 million as a result of lower interest rates and dividend income and (ii) income tax expenses increased by €-14 million.

Property & Casualty Operations - United Kingdom

Property & Casualty operations - United Kingdom

(in euro millions)	Period ended June 30, 2003	2002 Pro forma [a]	2002 As published	FY 2002 Pro forma [b]	FY 2002 As published
Gross revenues	*1,945*	*2,075*	*1,459*	*3,884*	*2,749*
Current accident year loss ratio (net)	72.2%	75.0%	75.7%	70.3%	72.5%
All accident year loss ratio (net)	74.5%	74.4%	76.1%	77.2%	78.7%
Net technical result [c]	**457**	**483**	**313**	**860**	**561**
Expense ratio	30.2%	31.2%	37.0%	30.8%	36.5%
Net investment result	(5)	129	138	70	82
Operating Income	**(89)**	**24**	**(28)**	**(228)**	**(308)**
Income tax expense / benefit	29	4	19	91	112
Minority interests	0	(0)	0	0	0
ADJUSTED EARNINGS	**(60)**	**28**	**(9)**	**(137)**	**(196)**
Average exchange rate : £ 1.00 = €	*1.46*	*1.61*	*1.61*	*1.59*	*1.59*

(a) (i) UK Discontinued business has been transferred to International Insurance segment.
(ii) UK Health business transferred from Life & Savings segments. Consequently HY 2002 has been restated including UK Health business.
(b) UK Health business transferred from Life & Savings segments. Consequently FY 2002 has been restated including UK Health business.
(c) The net technical result is now presented including fees, commissions and other revenues.

Gross revenues decreased by -6% to €1,945 million. Excluding exchange rate variances, gross revenues increased by 3% with General Insurance revenues up 5% and Health revenues stable.

- ***Personal* (29% of revenues)**: premiums decreased by -8% on a comparable basis. This was mainly driven by a decrease in Motor (-24%) primarily due to continued strict underwriting and a decrease in AXA's share of RAC premium. RAC premium was wholly underwritten by AXA in 2002 but has since been transferred to a panel operated by AXA, in which AXA participates as one of several underwriters. This premium decrease is partly compensated by strong growth in the Creditor account following the acquisition of the Egg partnership during 2002.

- ***Commercial* (40% of revenues)**: premiums increased by +19% on a comparable basis with increases in all classes. In Property, AXA succeeded in implementing targeted rate increases and gained a number of new accounts, benefiting from a flight to quality. In Liability business, AXA implemented significant rate increases and targeted decreases in Workers' Compensation policy volumes.

– ***Health* (29% of revenues)**: premiums increased +1% on a comparable basis. Annual price increases on Individual business of around 10% more than offset the declining trend on policy-count resulting in a net 2% increase. Strategic pricing activities on Large Corporate business aimed at increasing the profitability of the portfolio have impacted revenues. Other Corporate business volumes were 6% ahead of prior year.

THE NET TECHNICAL RESULT DECREASED BY €-26 MILLION BUT IMPROVED BY €+21 MILLION AT CONSTANT EXCHANGE RATE, REFLECTING AXA'S FOCUS ON PROFITABILITY AND THE IMPACT OF THE FIRST CHOICE PROJECT LAUNCHED IN JUNE 2002. **The all accident year loss ratio** deteriorated by +0.1 point reflecting:

- A positive contribution of -0.6 point from the General Insurance business, with loss ratio down -0.8 point to 73.8%.
- A negative contribution of +0.7 point of Health business with loss ratio up +2.3 points to 76.2%. This negative trend was primarily due to the non-repetition of the exceptionally low claims experience in June 2002.

The expense ratio decreased by 1.0 point to 30.2% reflecting:

- A -2.1 points positive impact on general expenses excluding pension costs and projects, driven by tight expense control and efficiency improvements introduced under the First Choice strategy.
- A -0.3 point positive impact of earned commission charges, mainly due to slight business mix changes.
- A +1.3 point negative impact due to both (i) for +0.3 point increase of investments in business transformation programs in General Insurance (First Choice) and the Health transformation program and (ii) for 1.0 point of higher pension charge due to equity market reduction.

Improvement in the expense ratio led to a 0.9 point decrease of the **combined ratio** to 104.7%.

Net investment result decreased by €-135 million to a loss of €-5 million in half year 2003, reflecting:

– Net realized capital gains/losses decreased by €-130 million or €-140 million at constant exchange rate to a loss of €-97 million in 2003 reflecting continuing reduction in exposure to equity securities and the non-repetition of the 2002 large realized gain mainly from the sale of shares in Willis. This was partly compensated by some €51 million lower impairment charge on equity securities on a comparable basis;

– Investment income down €-5 million in 2003 or up €+5 million on a comparable basis.

The **income tax benefit** increased by €+25 million, or €+28 million on a comparable basis, mainly reflecting the decrease in the operating income.

Adjusted earnings decreased by €-88 million in Half Year 2003 as compared to half year 2002, or €-94 million on a comparable basis, reflecting the lower investment result. Excluding net capital gains attributable to shareholders, **underlying earnings** increased by €+3 million, or €+4 million on a comparable basis to €+8 million.

Property & Casualty Operations - Belgium

Property & Casualty operations - Belgium			
	Period ended June 30,		FY
(in euro millions)	**2003**	**2002**	**2002**
Gross written premiums	*771*	*735*	*1,401*
Current accident year loss ratio (net)	82.8%	90.4%	88.7%
All accident year loss ratio (net)	74.0%	79.8%	80.2%
Net technical result	**183**	**135**	**275**
Expense ratio	28.1%	30.3%	29.6%
Net investment result	70	127	150
Operating Income	**55**	**60**	**15**
Income tax expense	(39)	(12)	(44)
Minority interests	(0)	(0)	0
ADJUSTED EARNINGS	**17**	**48**	**(29)**

Gross written premiums (before inter-company eliminations) amounted to €771 million. Net of inter-company eliminations, gross written premiums increased by +4% to €763 million with growth in both Personal and Corporate Lines.

- ***Personal lines*** (62% of the total gross written premiums) increased by +2.6%. Motor (57% of personal lines gross written premiums) increased by +4.5%, mainly due to rate increases, whereas portfolio remained stable.
- ***Commercial lines*** (37% of the total gross written premiums) registered an increase of +3.2%, mainly due to a strong growth in Property (+15.6%) as a result of rate increases. Motor remained stable. Despite a +7.5% tariff increase, Workers' Compensation were down by -2.3%, mainly due to portfolio pruning measures.
- ***Other***: premiums strongly increased by €+9 million to €13 million mainly due to an increase in acceptation and indirect business.

The **net technical result** increased by €+48 million to €183 million as compared to half year 2002.

The **current year loss ratio** improved by -7.6 points to 82.8%, due to (i) a lower claim frequency for most lines and (ii) a significant decrease in large claim cost in Commercial Property.

The **loss ratio for all accident years** improved by -5.8 points to 74.0% as a result of (i) a better loss pattern on current year, of (ii) a favorable loss reserve development on prior years, mainly in motor, partially offset by a (iii) deterioration in Health on prior years.

Compared to half year 2002, the **expense ratio** decreased by -2.2 points to 28.1% mainly due to the continuing cost-cutting program.

As a result, the **combined ratio** decreased by -8.1 points to 102.0% in half year 2003

Net investment result declined by €-57 million. Valuation allowances on equity securities increased by €129 million to €147 million. Excluding valuation allowances, the net investment result increased by €+72 million, mainly due to a higher level of realized capital gains (€+65 million, including €84 million on the sale of Crédit Lyonnais shares).

Income tax expense increased by €+27 million to €39 million, as a result of a higher taxable income, partially compensated by a -6 points decrease of the tax rate to 33.99%.

Adjusted earnings reached €17 million in half year 2003 compared to €48 million in half year 2002. This €-31 million decrease was due to lower net capital gains and losses (€-58 million) and higher income tax expenses (€-27 million), partially offset by an improved claim experience (€+40 million) and expenses (€+15 million).

Accordingly, excluding net capital gains and losses attributable to shareholders, **underlying earnings** increased by €+37 million to €82 million.

Property & Casualty Operations - Other Countries

Consolidated Gross revenues			
	Period ended June 30,		FY
(in euro millions)	**2003**	**2002**	**2002**
Italy	534	518	1,027
Spain	579	530	1,070
Canada	369	391	744
Ireland	295	281	554
The Netherlands	150	149	239
Other countries	398	523	947
TOTAL	**2,324**	**2,392**	**4,581**
Intercompany transactions	(3)	(0)	(3)
Contribution to consolidated gross revenues	**2,321**	**2,392**	**4,577**

	Adjusted earnings & Net income		
	Period ended June 30,		FY
(in euro millions)	**2003**	**2002**	**2002**
Italy	46	23	42
Spain	21	11	33
Canada	20	8	19
Ireland	52	27	59
The Netherlands	3	(3)	(3)
Other countries	15	(1)	(40)
ADJUSTED EARNINGS	**157**	**66**	**109**
Impact of exceptional operations	-	-	-
Goodwill amortization (group share)	(17)	(20)	(39)
NET INCOME	**140**	**47**	**70**

Italy

Gross written premiums increased by +3% from last year to €534 million, driven by personal Motor (64% of total premiums), whose portfolio returned to positive net inflows over the first half-year 2003. In 2002, drastic portfolio cleansing measures and tariff increases had resulted in significant portfolio losses.

Adjusted earnings increased by €+23 million from last year to €46 million, driven by:

(i) A 1.5 point improvement in **combined ratio** to 105.5% (€+5 million net impact), due to further improvement in claims experience following the portfolio cleansing measures and tariff increases implemented in 2001 and 2002, and

(ii) A €+15 million increase in exceptional tax gains, driven by the release of the residual allowance on tax loss carry-forward, reflecting the restored profitability of the Motor line, and by a higher tax credit pushdown from the legal restructuring of AXA subsidiaries in Italy.

(iii) A €+4 million increase in investment result, the gain from the Crédit Lyonnais sale (€13 million) being partly offset by lower realized gains on real estate (€-7 million) and decreasing return rates on bonds (€-2 million).

Excluding net capital gains and losses attributable to shareholders, **underlying earnings** reached €37 million, up by €18 million from last year, mainly attributable to the above-mentioned tax gains and combined ratio improvement, but partly offset by decreasing revenues from fixed maturities.

Spain

Gross written premiums increased by 9% to €579 million driven by the 20% growth in commercial business, primarily located in property (+53%) and in mechanical warranties (multiyear contracts, +77%), which benefited from agreements with major brokers.

Adjusted earnings increased by €+10 million compared to half year 2002 to €21 million. Direct Seguros contribution increased by €+1 million to €2 million, driven by a positive reserve development. Excluding Direct Seguros, adjusted earnings increased by €+9 million to €19 million, reflecting (i) a 2.3 points improvement in **combined ratio** to 99.1% following the continuing favourable technical trend on motor market and the cost cutting program, and by (ii) a one-time tax credit. These items were partly offset by an increase in net capital losses (€-4 million post-tax) as a consequence of additional valuation allowances on equity securities.

As a result of the evolution reported above, and excluding net capital gains and losses attributable to shareholders, **underlying earnings** increased by €+13 million to €25 million.

Canada

Gross written premiums increased by +7% over 2002 on a comparable basis. The growth is mainly due to the continued impact of premium rate increases initiated in 2002. Personal motor (42% of gross written premiums) was +6% higher than in 2002, as the decrease of 2% in the number of policies in force was more than offset by a 10% increase in average premium. Commercial lines (41% of gross written premiums) grew by 7% mainly due to significant rate increases implemented in Commercial Liability (from +5% in Quebec to +50% in Ontario), though increases were also recorded in other Commercial lines.

Adjusted earnings amounted to €20 million, an increase of €15 million on a constant exchange rate basis as compared to 2002, primarily as a result of a 5.9 points improvement in the **combined ratio**, which stands at 97.6% at the end of June 2003, due to *(i)* the absence of a €11 million write-off in 2002 of deferred information technology development costs, to *(ii)* the excellent results recorded in Quebec and to *(iii)* lower reinsurance costs partly offset by the struggling Ontario motor industry, as well as *(iv)* the 1.7 point improvement of expense ratio mainly due to continued general cost containment.

Excluding net capital gains and losses attributable to shareholders, **underlying earnings** reached €20 million, up by €17 million on a constant exchange rate basis.

Ireland

Gross written premiums increased by €15 million (+5%) to €295 million in H1 2003 as compared to 2002 reflecting increases of 4% in personal lines business (77% of gross written premiums) and 11% in commercial lines business (23% of gross written premiums). This trend was driven by significant growth in volumes on personal and commercial motor mainly due to strong new business inflow combined with strong retention rates on existing business. No rate increases have been applied to the household account during 2003 whilst average premium in the motor account is lower than during 2002 reflecting an improvement in the claims environment and improved risk selection.

Adjusted earnings increased by €25 million compared to 2002 which is explained by an improved net technical result. This is due to a 9.6 points reduction in the loss ratio from 83.9% in the period to June

2002 to 74.3% in 2003. This significant improvement is attributable to the impact on the current year result of the continued improvement in motor claims frequency, together with the absence, to date, of any significant weather catastrophes and favorable movement in prior year claims reserves. The expense ratio has improved by 0.8 points reflecting local expense control over management expenses in an environment where average premiums are constant and inflation is running at 4% - 6% per annum. As a result the **combined ratio** improved by 10.4 points to 88.0% in the first half of 2003 compared to 2002.

There has been a fall in the net investment result, mainly explained by moderate realized gains, compared to significant realized gains in 2002. Investment income has been stable.

Excluding net capital gains attributable to shareholders, **underlying earnings** reached €51 million, up by €29 million.

The Netherlands

Gross written premiums were stable at €150 million due to rate increases.

Adjusted earnings improved by €+5.5 million to €3.5 million. The **combined ratio** improved by 6.1 points to 113.3% due to (i) pruning measures and rate increases of the Authorized agents portfolio (1.4 points), (ii) cost cutting program (4.7 points).

Other countries

Adjusted earnings are up to €15 million, mainly attributable to the following countries:

	Adjusted earnings & Net income		
	Period ended June 30,		FY
(in euro millions)	2003	2002	2002
Morocco	4	5	(4)
Portugal	9	3	(4)
Austria	0	(1)	1
Hungary	0	1	1
Switzerland	1	(0)	(19)
Luxembourg	(3)	(0)	1
Turkey	7	1	1
Japan	(9)	(15)	(25)
Hong Kong	5	3	6
Singapore	2	1	3
ADJUSTED EARNINGS	**15**	**(1)**	**(40)**
Impact of exceptional operations	-	-	-
Goodwill amortization (group share)	(2)	(3)	(7)
NET INCOME	**12**	**(4)**	**(47)**

Morocco

Gross Written Premiums increased by +11% on a comparable basis to €85 million, as a result of a positive impact of Workers' compensation rates increases.

The **combined ratio** decreased by 7 points to 105% with a loss ratio net of reinsurance of 83% as compared to 89% in June 2002.

Adjusted earnings was stable to €4 million in June 2003 as compared to June 2002. The increase in net investment result due to higher dividends and a better net technical result as the consequence of large claims in half year 2002 was offset by higher tax expenses.

The same factors explained the slight decrease in **underlying earnings**, excluding net capital gains and losses, of €-2 million to €+4 million in half year 2003 as compared to €+6 million in June 2002.

Portugal

Gross written premiums decreased by 1% compared to half year 2002 to €166 million.

Adjusted earnings improved by €+6 million to €9 million as compared to half year 2002 benefiting from higher net capital gains, since June 2002 was negatively impacted by a €4 million valuation allowances on equity securities.

Excluding net realized gains and losses attributable to shareholders, **underlying earnings** increased by €+2 million to €8 million as a result of 1.4 points improvement in **combined ratio** to 98.4%, which mainly reflected a better claims experience in motor (lower frequency).

Switzerland

Gross revenues increased by +12.5% to €62 million mainly due to the acquisition of the Northern portfolio and following rate increases, despite portfolio pruning and cancellations and stricter underwriting.

Net technical margin increased by €+1 million, mainly due a positive volume effect. **Net investment result** increased by €+1 million, due to capital gains and to a higher bond portfolio.

As a result, **adjusted earnings** increased by €+1 million to €+1 million.

Excluding net capital gains and losses attributable to shareholders, **underlying earnings** increased by €+1 million to €1 million mainly due to technical margin improvement and higher investment income in bonds.

Japan

Gross written premiums increased by 14% compared to 2002 H1 on a constant exchange rate basis to €47 million, mainly driven by motor business growth (+50%, 74% of revenues) following an extensive use of direct media (especially Internet). This strong growth was however partially offset by the contraction of the personal accident portfolio.

Adjusted Earnings improved compared to half year 2002 from €-15 million to €-9 million (+40% on a current exchange basis, but +27% on a constant exchange rate basis), driven by the decrease of the **combined ratio** from 147.5% to 126.7%. This evolution reflected the 20.6 point improvement of the loss ratio, which was impacted by (i) unusual negative claims reserve developments in personal accident branch in 2002 and (ii) one-off recoveries on motor bodily accident claims in 2003.

International Insurance Segment

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

Consolidated Gross revenues [a]				
	Period ended June 30,			
(in euro millions)	**2003**	**2002 Pro forma [b]**	**2002 As published**	**FY 2002**
AXA RE	1,411	2,569	2,569	3,513
AXA Corporate Solutions Assurance	969	1,035	1,035	1,762
AXA Cession	70	36	36	100
AXA Assistance	236	234	234	465
Other	11	3	0	31
TOTAL	**2,696**	**3,877**	**3,873**	**5,872**
Intercompany transactions	(46)	(45)	(45)	(110)
Contribution to consolidated gross revenues	**2,650**	**3,832**	**3,828**	**5,762**

(a) Gross written premiums, plus fees, commissions and other revenues.
(b) Discontinued business transfered from Property & Casualty segment.

	Adjusted earnings & Net income			
	Period ended June 30,			
(in euro millions)	**2003**	**2002 Pro forma [a]**	**2002 As published**	**FY 2002**
AXA RE	61	(54)	(54)	(14)
AXA Corporate Solutions Assurance	(38)	(3)	(3)	(123)
AXA Cession	13	5	5	(4)
AXA Assistance	6	2	2	1
Other	1	8	8	(8)
ADJUSTED EARNINGS	**42**	**(42)**	**(42)**	**(149)**
Impact of exceptional operations	-	-	-	-
Goodwill amortization (group share)	(1)	(4)	(4)	(27)
NET INCOME	**41**	**(46)**	**(46)**	**(176)**

(a) Discontinued business transfered from Property & Casualty segment.

AXA RE

AXA RE [a]			
	Period ended June 30,		FY
(in euro millions)	2003	2002	2002
Gross written premiums	1,411	2,566	3,507
Fees, commissions and other revenues	0	3	6
Gross revenues	**1,411**	**2,569**	**3,513**
Change in unearned premium reserves	(149)	(781)	(37)
Net investment result	146	163	265
Total revenues	**1,408**	**1,950**	**3,742**
Insurance benefits and claims, net of reinsurance ceded	(1,188)	(1,888)	(3,519)
Insurance acquisition expenses	(72)	(90)	(170)
Administrative expenses	(55)	(55)	(116)
Operating Income	**93**	**(83)**	**(64)**
Income tax expense / benefit	(23)	37	59
Equity in income (loss) of unconsolidated entities	(0)	(1)	(1)
Minority interests	(9)	(6)	(9)
ADJUSTED EARNINGS	**61**	**(54)**	**(14)**
Impact of exceptional operations	-	-	-
Goodwill amortization (group share)	(1)	(4)	(26)
NET INCOME	**60**	**(57)**	**(41)**

(a) Before intercompany transactions.

AXA RE				
		Period ended June 30,		
(in euro millions)	2003	2002 Pro foma [d] [e]	2002 As published	FY 2002
Earned premiums (gross)	*1,262*	*1,785*	*1,785*	*3,471*
Attritional current year loss ratio [a] [b]	75.4%	71.3%	70.6%	72.3%
Attritional all accident year loss ratio [a] [b]	77.6%	72.1%	72.7%	75.2%
Loss ratio [a] [c]	92.9%	109.1%	109.1%	102.1%
Net technical result	**74**	**-104**	**-104**	**-49**
Expense ratio	12.1%	11.5%	11.8%	12.2%
Net investment results	146	163	163	265
Operating Income	**93**	**-83**	**-83**	**-64**

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

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

(c) (Attritional claims charge and major losses cost on all accident years) divided by (net earned premiums)

(d) Pro forma on the attritional ratios (i) take into account the creation of a specific account to track premium revisions on prior years, and (ii) a refined allocation of prior years results from reinsurance between premiums and claims impacts.

(e) Pro forma on the loss ratio and the expense ratio takes into account a methodological change in the allocation of prior results from reinsurance between premiums and claims impacts.

Gross revenues strongly decreased by -24% on a comparable basis down to €1,399 million, reflecting AXA Re's stringent underwriting policy aimed at reducing the risk exposure of the portfolio whilst focusing the Property & Casualty portfolio on the highest profitability businesses such as non-proportional Property Cat.

The **net technical margin** increased by €178 million to €74 million in 2003, explained by the following:

- on **current accident year**, the cost of **cover programs** decreased by €+231 million to €-169 million, resulting from the reshaping of the protection structure in line with the change in underwriting policy leading notably to a reduced portfolio risk exposure, partially offset by a decrease by €–158 million at €+252 million of the **net attritional margin on current accident year.** The latter decrease was driven by the negative impact of the drop in long term interest rates in Life reinsurance and by the volume effect due to lower earned premiums in Property & Casualty reinsurance, whereas the net attritional current year loss ratio for Property & Casualty business improved by -6.6 points down to 63.1% on a comparable basis[11];
- **the technical result on prior years** improved by €+101 million, mainly due to the fact that 2002 accounted for unfavourable development of claims of which the September 2001 events claim.

Overall, the claims ratio for all accident years (net of reinsurance) improved by 16.2 points at 92.9% in 2003. Excluding the September 11th US terrorist attacks, this improvement would be 5.2 points.

General expenses decreased by €+18 million to €-127 million mainly driven by the decrease in the acquisition expenses, which is a function of business mix.

As a result, the **combined ratio** improved by 15.6 points at 105.0%.

Net investment result decreased by €-17 million to €146 million in 2003 as compared to 2002, mainly explained by:

- a €-25 million decrease in net capital gains corresponding to (i) a €60 million decrease in exchange rate which favourably impacted 2002 accounts and (ii) a €35 million increase in net capital gains, including an allowance for equity impairments of €16 million in 2003,
- a €+8 million increase in investment income.

Income tax expense was €-23 million in 2003, or a €-60 million additional charge as compared to 2002, resulting from a higher taxable income.

Adjusted earnings increased by €115 million to €61 million. The increase was mainly due to a €178 million increase in the net technical margin strengthened by (i) a €18 million decrease in general expenses, and partly offset by (ii) a €17 million decrease in the net investment result and (iii) a €60 million increase in income tax expense.

Excluding the cost of September 11th US terrorist attacks and net capital gains and losses attributable to shareholders, **underlying earnings** amounted to €16 million in 2003 as compared to €-21 million in 2002.

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[11] *Restatements compared to figures published in 2002 are due to a refined allocation of earned premiums between current and prior years, and to minor accounting impacts linked with the separation of AXA Corporate Solutions into two separate segments (AXA Re and AXA Corporate Solutions Assurance).*

AXA Corporate Solutions Assurance

AXA Corporate Solutions Assurance [a]			
	Period ended June 30,		FY
(in euro millions)	**2003**	**2002**	**2002**
Gross written premiums	962	1,027	1,741
Fees, commissions and other revenues	7	8	22
Gross revenues	**969**	**1,035**	**1,762**
Change in unearned premium reserves	(270)	(301)	(23)
Net investment result	(20)	95	43
Total revenues	**679**	**830**	**1,783**
Insurance benefits and claims, net of reinsurance ceded	(591)	(680)	(1,650)
Insurance acquisition expenses	(56)	(65)	(123)
Administrative expenses	(65)	(61)	(119)
Operating Income	**(32)**	**24**	**(109)**
Income tax expense / benefit	(6)	(28)	(16)
Equity in income (loss) of unconsolidated entities	0	0	0
Minority interests	1	0	2
ADJUSTED EARNINGS	**(38)**	**(3)**	**(123)**
Impact of exceptional operations	-	-	-
Goodwill amortization (group share)	0	0	0
NET INCOME	**(38)**	**(3)**	**(123)**

(a) Before intercompany transactions.

AXA Corporate Solutions Assurance				
	Period ended June 30,			
(in euro millions)	**2003**	**2002 Pro foma [d] [e]**	**2002 As published**	**FY 2002**
Earned premiums (gross)	*692*	*726*	*726*	*1,718*
Attritional current year loss ratio [a] [b]	74.8%	73.8%	69.7%	76.5%
Attritional all accident year loss ratio [a] [b]	64.9%	64.5%	62.9%	74.5%
Loss ratio [a] [c]	73.1%	85.8%	88.2%	93.3%
Net technical result	**101**	**47**	**47**	**68**
Expense ratio	29.9%	27.6%	28.7%	23.8%
Net investment results	(20)	95	95	43
Operating Income	**(32)**	**24**	**24**	**(109)**

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

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

(c) (Attritional claims charge and major losses cost on all accident years) divided by (net earned premiums)

(d) Pro forma on the attritional ratios (i) take into account the creation of a specific account to track premium revisions on prior years, and (ii) a refined allocation of prior years results from reinsurance between premiums and claims impacts.

(e) Pro forma on the loss ratio and the expense ratio (i) now includes in the loss ratio denominator the servicing fees that cover administration expenses of third parties, (ii) take into account a methodological change in the allocation of prior results from reinsurance between premiums and claims impacts.

Gross revenues decreased by **1.5**% on a comparable basis, as strong rate increases and new business, particularly on French Casualty lines (+24%), were more than offset by reduced exposure to selected business lines, including Construction in France (-25%), and Property in the UK following the reshuffling of the portfolio (-59%). Commercial motor revenues remained stable (10% of GWP), the effect of policy cancellations in the UK, offset by rate increases and increasing new business in France.

The net technical result on current accident year, improved by €+11 million to €47 million, mainly due to a lower claims charge for major losses accounted in first half-year (€+16 million). The cost of cover programs was stable at €-57 million.

The net technical result on previous accident years, €54 million, increased by €+44 million, driven by positive loss reserve adjustments on recent accident years for Aviation and the impact of reserve strengthening accounted in 2002.

As a result, the **net technical result** increased by €+55 million to €101 million with a 12.7 points improvement in the claim ratio for all accident years (net of reinsurance) to 73.1%.

General expenses decreased by €-2 million to €121 million mainly due to the ongoing restructuration of AXA Corporate Solutions UK Branch.

Accordingly, the **net combined ratio** improved by 10.4 points at 103.0%.

Net investment result decreased by €-115 million to €-20 million, explained by significantly higher valuation allowances on equity securities (€-114 million as compared to €-3 million), partly offset by a €+11 million increase of realized capital gains including a €+38 million gain on Crédit Lyonnais shares in 2003. Net investment income decreased by €-17 million.

Income tax expenses were €-6 million, thus €+22 million lower than in 2002.

As a consequence, **adjusted earnings** decreased by €-35 million to €-38 million.

Excluding the cost of September 11th US terrorist attacks and net capital gains attributable to shareholders, **underlying earnings** increased by €+38 million to €+17 million.

AXA Cessions

AXA Cessions **adjusted earnings**, €+13 million, increased by €+8 million, mainly impacted by (i) €+6 million net realized gains on Credit Lyonnais, (ii) a €-2 million net impairment charge on equity securities, (iii) €+2 million lower expenses, and (iv) a €+2 million better technical result driven by stop-loss policies from the internal reinsurance pools. Excluding net realized capital gains and losses, **underlying earnings** increased by €4 million up to €11 million.

AXA Assistance

Gross revenues increased by +10% on a comparable basis to €236 million.

Adjusted earnings increased by €4 million to €6 million in half year 2003 as compared to €2 million in half year 2002.

Other (excluding UK discontinued business)

Adjusted earnings from other international insurance subsidiaries, €+5 million, decreased by €-3 million.

Other (UK discontinued business)

Adjusted earnings decreased by €-3 million to €-3.5 million. This decrease was primarily due to a lower level of investment result, resulting from the revaluation of foreign currency technical reserves in reinsurance run-off business.

Asset Management Segment

The asset management segment includes third-party asset management and asset management on behalf of AXA insurance companies. The tables below present the revenues and the net income for the Asset Management Segment for the periods indicated:

Consolidated Gross Revenues			
	Period ended June 30,		FY
(in euro millions)	**2003**	**2002**	**2002**
Alliance Capital	1,144	1,610	2,903
AXA Investment Managers	370	427	820
TOTAL	**1,515**	**2,037**	**3,724**
Intercompany transactions	(136)	(164)	(313)
Contribution to consolidated gross revenues	**1,379**	**1,873**	**3,411**

	Adjusted earnings & Net income		
	Period ended June 30,		FY
(in euro millions)	**2003**	**2002**	**2002**
Alliance Capital	75	114	195
AXA Investment Managers	31	34	63
ADJUSTED EARNINGS	**106**	**148**	**258**
Impact of exceptional operations	-	-	148
Goodwill amortization (group share)	(86)	(97)	(188)
NET INCOME	**20**	**51**	**218**

Alliance Capital

Asset Management Operations - Alliance Capital			
	Period ended June 30,		FY
(in euro millions)	**2003**	**2002**	**2002**
Fees, commissions and other revenues	1,144	1,610	2,903
Gross revenues	**1,144**	**1,610**	**2,903**
Net investment result	(24)	(30)	(53)
Total revenues	**1,121**	**1,580**	**2,850**
Administrative expenses	(898)	(1,224)	(2,236)
Operating Income	**223**	**356**	**614**
Income tax expense	(39)	(60)	(102)
Minority interests	(109)	(182)	(317)
ADJUSTED EARNINGS	**75**	**114**	**195**
Average exchange rate : US$ 1,00 = €	*0.91*	*1.11*	*1.06*

Assets under Management ("AUM") increased by €4 billion to €373 billion at June 30, 2003 when compared to December 31, 2002. This increase, driven by market appreciation (€+30 billion) thanks to rallying equity markets over the second quarter and positive net new money (€+5.8 billion), was partially offset by an adverse currency impact of €-31.7 billion due to the weakening of the US dollar against the Euro. On a constant exchange rate basis, AUM increased by 10%. Net new money was positive across all segments - Institutional: €3.8 billion, Private Clients: €1.7 billion and Retail: €0.4 billion.

Fees, commissions and other revenues were down 13% on a constant exchange rate basis (€-201 million), due to lower advisory fees and distribution revenues, primarily driven by lower average AUM down 9%. Institutional research services fees decreased by 16% due to a decline in market share of NYSE volume.

Administrative expenses declined by €326 million, or 9% on a constant exchange rate basis (€-119 million), driven by lower cash compensation and promotional expenses, partially offset by higher Bernstein acquisition related expenses (higher deferred compensation) and legal costs.

Operating Income decreased by €-133 million, or -23% on a constant exchange rate basis (€-81 million), as a result of lower revenues, partly offset by lower administrative expenses. As a result, the operating cost income ratio[13] increased by 3.6 points from 69.7% in 2002 to 73.3% in H1 2003.

Adjusted Earnings decreased by €-38 million, down -19% on a constant exchange rate basis (€-21 million), reflecting the impact of lower revenues and average AUM due to the declining market environment until March 2003. Excluding net capital gains and losses attributable to shareholders, **underlying earnings** were down by €-21 million.

As a result of the acquisition of 8.16 million private units in November 2002, AXA Financial's ownership interest in Alliance Capital increased 3 points from approximately 53% at June 2002 to 56% at June 2003.

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[13] *The operating cost income ratio is computed after exclusion of distribution commissions from revenues and general expenses.*

AXA Investment Managers ("AXA IM")

Asset Management Operations - AXA Investment Managers			
	Period ended June 30,		FY
(in euro millions)	**2003**	**2002**	**2002**
Fees, commissions and other revenues	370	427	820
Gross revenues	**370**	**427**	**820**
Net investment result	4	4	9
Total revenues	**374**	**431**	**830**
Administrative expenses	(317)	(365)	(716)
Operating Income	**57**	**66**	**114**
Income tax expense	(22)	(25)	(38)
Minority interests	(4)	(7)	(13)
ADJUSTED EARNINGS	**31**	**34**	**63**

Asset Under Management ("AUM") as at June 30, 2003 are €275 billion, which is 3% higher than to December 31, 2002. Positive Net New Money (€6 billion) and market appreciation (€7 billion) were partially offset by foreign exchange movements (€-6 billion).

Fees, commissions and other revenues, including those earned from AXA insurance companies eliminated in consolidation, reached €370 million in the H1 2003, 10% lower on a comparable basis than in the first half 2002. Restated from intra-group transactions, gross revenues are €287 million, decreasing by 10% on a constant exchange rate basis. Half of the decrease relates to lower management fees collected by AXA IM on behalf of some retail products external distributors. Excluding fees retroceded to distributors, net revenues decreased by 5% (€14 million) on a comparable basis, to €257 million. This decrease was mainly driven by (i) lower performance fees (€-12 million, especially in AXA Rosenberg), (ii) lower net management fees (down €-6 million or -3%) mainly stemming from an unfavorable change in client-mix towards lower-fee segments, partly offset by higher real estate transaction fees (€+6 million).

Administrative expenses, excluding commissions paid to third parties agents, decreased by -8%, or by -2% (€-3.7 million) on a constant exchange rate basis. This decrease was primarily due to non-recurring costs recorded in H1 2002.

The cost income ratio is 79.4% in H1 2003 versus 78.7% in H1 2002.

Consequently, **adjusted earnings** decreased by €3 million in 2003 compared to the same period last year, €-1 million on a constant rate basis. Excluding capital gains and losses attributable to shareholders, **underlying earnings** are €31 million, flat on a comparable basis.

Other Financial Services Segment

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

Consolidated Gross Revenues			
	Period ended June 30,		FY
(in euro millions)	**2003**	**2002**	**2002**
French banks	70	62	137
German banks	68	63	133
AXA Bank Belgium	280	361	723
Other	19	32	52
TOTAL	**438**	**519**	**1,046**
Intercompany transactions	(11)	(16)	(26)
Contribution to consolidated gross revenues	**426**	**503**	**1,020**

	Adjusted earnings & Net income		
	Period ended June 30,		FY
(in euro millions)	**2003**	**2002**	**2002**
French banks	(9)	3	(3)
German banks	1	1	2
AXA Bank Belgium	80	27	36
Other	42	15	98
ADJUSTED EARNINGS	**113**	**47**	**133**
Impact of exceptional operations	15	-	-
Goodwill amortization (group share)	(1)	(1)	(14)
NET INCOME	**126**	**45**	**119**

French Banks

AXA Banque adjusted earnings and **underlying earnings** decreased by €-13 million to €-9 million in June 2003 as compared to June 2002 mainly due to the costs linked to the integration of *Banque Directe*.

German Banks

The **banking revenues** increased by 9%, as a result of increasing volumes in house loans and a slight growth in the funds business.
Adjusted earnings are stable at €1 million. The increase in interest margin by €1 million was more than offset by a lower commission margin as well as increased risk allowances, especially on the loan

portfolio.

AXA Bank Belgium

Net sales of AXA savings products decreased by €-205 million as compared to H1 2002, mainly attributable to certificates of deposits, as a consequence of historically low long term interest rates, and to saving accounts due to strong competition on the market.

Adjusted earnings increased by €+53 million to €80 million, as compared to H1 2002 mainly due to higher banking margin and capital gains (€+72 million), of which €+13 million from the sale of Crédit Lyonnais shares.

Other

Subgroup CFP **revenues** decreased by **-**55% on a comparable basis to €11 million.

CFP revenues (10% of the "Other" revenues) decreased by -81% in 2003 to €2 million mainly due to lower interest revenues following the debt reduction of CFP's subsidiaries.

Holding SOFFIM revenues (24% of the "Other" revenues) decreased by -33% mainly due to lower interests on loans and lower credits granted.

Adjusted earnings increased by €26 million to €42 million in June 2003 mainly due a favorable run off development (€+25 million).

Holding Company Activities

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

	Adjusted earnings & Net income		
	Period ended June 30,		FY
(in euro millions)	2003	2002	2002
AXA, The Company	(138)	(106)	(162)
Other French holding companies	(14)	82	69
Foreign holding companies	(94)	(108)	(251)
ADJUSTED EARNINGS	**(245)**	**(131)**	**(344)**
Impact of exceptional operations	-	-	87
Goodwill amortization (group share)	0	0	0
NET INCOME	**(245)**	**(131)**	**(257)**

AXA (the parent company)

Half Year 2003 **adjusted earnings** decreased by €-32 million as a result of the amortization of redemption premiums on the convertible bonds issued by AXA SA (€-26 million after tax)

Other French holding companies

The €-96 million decline of Other French Holding is mainly explained by the absence of net realized capital gains in 2003 compared to €+104 million at the end of June 30, 2002 (disposal of the BBVA stake).

Foreign Holding Companies

AXA FINANCIAL INC.

Adjusted earnings increased by €10 million in 2003 as compared to 2002. On a constant exchange rate basis, adjusted earnings increased by €3 million and **underlying earnings** increased by €4 million due to the execution of interest rate swap contracts, which reduced interest expense compared to 2002.

AXA ASIA PACIFIC HOLDINGS

The holding companies in Australia recorded an **adjusted earnings** loss of €8 million net group share compared to a loss of €12 million net group share in the prior period. Lower interest rates and the appreciation of the Australian dollar reduced the cost of interest payments on USD debt. The receipt of proceeds from the sale of Members Equity and AXA Health helped to reduce debt levels earlier than expected.

AXA UK HOLDINGS

Adjusted earnings decreased by €8 million in 2003 as compared with 2002, due to an increase in the investment result loss of €16 million, principally as a result of interest costs to fund additional capital invested in its main UK subsidiaries, partially offset by the release of prior year tax provisions of €8 million.

Other foreign holding companies

German Holding companies: Adjusted earnings were stable at €-21 million since higher dividend income on equity securities was offset by valuation allowances of €-6 million. Underlying earnings increased by €7 million to a €-15 million loss, mainly driven by higher dividend income on equities.

Perspectives

If financial markets stabilize at their current levels , the second half of the year should benefit, in life and asset management, from increased average assets under management.
In Property and Casualty and International insurance, in the absence of major catastrophic events, the first half of 2003 downward trend in the Group combined ratio should confirm our ability to be ahead of our stated target by year-end.

Any sign of economic recovery over the next months should help AXA to further enhance its organic growth capability, taking advantage of its improved operating efficiency gained over the last two years.

Glossary

COMPARABLE BASIS

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

ADJUSTED EARNINGS

Adjusted earnings represent the net income (group share) before the impact of exceptional operations and amortization of goodwill.

Adjusted earnings per share (**adjusted EPS**) represents the AXA' s consolidated net income before the impact of exceptional operations and amortization of goodwill, divided by the weighted average number of outstanding ordinary shares,

Adjusted earnings per share diluted (**adjusted EPS diluted**) represents the AXA' s consolidated net income before the impact of exceptional operations and amortization of goodwill, 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 stock options, that are not anti-dilutive, being exercised and conversion of existing convertible debt into shares, assuming the impact is not anti-dilutive).

UNDERLYING EARNINGS

Underlying earnings correspond to adjusted earnings excluding (i) net realized capital gains attributable to shareholders and (ii) the impact of September 11th, 2001 terrorist attacks.

LIFE & SAVINGS MARGIN ANALYSIS

Even though the presentation of Margin Analysis is not the same as the Statement of Income, it is based on the same GAAP measures as used to prepare the Statement on Income in accordance with French GAAP. As a result, the operating income under Margin Analysis is equal to that reported in AXA's Statement of Income for the segment. There are certain material differences between the detailed line-by-line presentation in the Statement of Income and the components of Margin Analysis as set out below.

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

(iii) The "Investment margin" represents the net investment result in the Statement of Income and is adjusted to take into account the policyholders' participation (see above) and to exclude the loading on (or contractual charges included in) unit-linked business, which are included in "Fees and Revenues".

Investment margin includes the following items:

(i) Net investment income,

(ii) Realized capital gains & losses,

(iii) Valuation allowance & release in respect of impaired invested assets,

(iv) Interests and bonuses credited to policyholders and unallocated policyholder bonuses, relating to the net investment result.

Fees & Revenues include:

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

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

(iii) Loading on (or contractual charges included in) premiums received on all non unit-linked product lines (Life, Investment & Savings and Health),

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

Net Technical result is the sum of the following components:

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

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

(iii) Policyholder bonuses: If the policyholder participates in the risk margin and the expenses of the company,

(iv) Ceded reinsurance result.

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) Deferred Acquisition Costs (DAC): capitalization of acquisition expenses linked to new business, net of the corresponding Unearned Revenue Reserve (URR),

(iii) DAC: amortization of acquisition expenses on current year and prior years new business. This amortization also includes the impact of interest capitalized and is net of the corresponding change in URR in the period,

(iv) VBI: amortization of Value of Purchased Life Business In-force,

(v) Administrative expenses.

Operating income corresponds to the income derived from operations, before tax, minority interest, and goodwill amortization.

LIFE & SAVINGS EXPENSE RATIO

Three types of expense ratio are calculated:

(i) **Ratio of gross operating expenses to total gross insurance reserves:** gross operating expenses / total gross insurance reserves, where:

- Gross operating expenses are total expenses excluding (1) expenses related to mutual fund business (mainly fees paid to the sales force), (2) deferral or amortization of Deferred Acquisition Costs (DAC), and (3) amortization of Value of purchased Life Business In-force (VBI); they include capitalization and amortization of software expenses,
- Gross insurance reserves are total insurance liabilities, gross of reinsurance, including benefit and claims reserves, unearned premiums reserves, and separate account liabilities.

(ii) **Cost income ratio**: expenses / operating margin, where:

- Expenses are total expenses, excluding expenses related to mutual fund business (mainly fees paid to the sales force), gross of deferral and amortization of Deferred Acquisition Costs (DAC) and gross of amortization of Value of purchased Life Business In-force (VBI),
- Operating margin is the sum of (i) Investment margin, (ii) Fees and revenues, and (iii) net technical margin (items as defined above in the Margin Analysis above).

(iii) **Underlying cost income ratio**: expenses / "underlying" operating margin, where:

- Expenses are total expenses, excluding expenses related to mutual fund business (mainly fees paid to the sales force) net of Participating Benefits, gross of deferral and amortization of Deferred Acquisition Costs (DAC) and gross of amortization of Value of purchased Life Business In-force (VBI),
- "Underlying" operating margin is the sum of (i) Investment margin excluding net capital gains / losses attributable to shareholders; (ii) Fees and revenues, and (iii) Net technical margin (items as defined in the Margin Analysis).

PROPERTY & CASUALTY

Net investment result includes the following items:

(i) Net investment income,

(ii) Realized capital gains & losses,

(iii) Valuation allowances & release in respect of impaired invested assets.

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 and equalization reserves, gross of reinsurance,

(iv) Claims handling costs,

(v) Net result of ceded reinsurance.

Expense ratio is the ratio of:

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

(ii) Earned premiums, gross of reinsurance.

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

(i) [current year claims charge gross of reinsurance + claims-handling costs + result of reinsurance ceded on current accident year], to

(ii) Earned premiums, gross of reinsurance.

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

(i) [all accident years claims charge gross of reinsurance + claims-handling costs + result of reinsurance ceded on all accident years], to

(ii) Earned premiums, gross of reinsurance.

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

AXA RE ET AXA CORPORATE SOLUTIONS ASSURANCE

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

Major losses are defined as any event whose net ultimate cost is greater than $50 million for AXA Ré and $10 million for AXA Corporate Solutions Assurance; the **Net "Ultimate" Cost** is the result of the claim cost (net of reinsurance) minus the reinstatement premiums (net of reinsurance).

Net technical margin includes:

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

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

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

(iv) Claims handling costs.

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

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

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

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

(iv) Claims handling costs.

ASSET MANAGEMENT

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

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